

# **CITY OF SANDY, UTAH**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2013**





**SANDY CITY**  
**10000 Centennial Parkway**  
**Sandy, Utah 84070**

**Comprehensive Annual Financial Report**  
**For the fiscal year ended June 30, 2013**

**Prepared by:**

**Department of Finance**

**Arthur D. Hunter, Director of Finance and Information Technology**

**Brian P. Kelley, Deputy Director of Finance and Information Technology**

**Glade G. Jardine, Treasurer**

**Helen R. Kurtz, Controller**

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# INTRODUCTORY SECTION

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December 23, 2013

Honorable Mayor and  
Members of the City Council  
Sandy City

The Comprehensive Annual Financial Report (CAFR) of Sandy City (the City), for the fiscal year ended June 30, 2013 is submitted herewith. Utah State law requires that first class cities "present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities." This report, which fulfills this requirement, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This CAFR has been prepared by the City's Finance department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included. Likewise, the "Notes to the Financial Statements" are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented.

Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable, rather than absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Independent Auditor's Report, as prepared by Piercy Bowler Taylor & Kern, is included in the Financial Section of this report. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and

compliance with legal requirements, with special emphasis on the administration of federal awards. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are published under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

### **Profile of the Government**

Sandy City is the sixth largest city in Utah. The nearby Wasatch Mountains provide water, recreational opportunities, and a scenic backdrop. The I-15 corridor and TRAX light rail line on the west side of the City provide both access to downtown Salt Lake City (approximately 15 miles to the north) and the opportunity to be a commercial center for the south end of the valley. Sandy has experienced tremendous growth in land area and population during the past several years. Annexation of previously unincorporated land has resulted in growth from 6.6 square miles in 1970 to nearly 23 square miles today. Annexations combined with new construction resulted in population growth from 6,438 to over 87,461 as counted by the 2010 Census.

Since 1979, the City has operated under the council-mayor form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. One of the Mayor's administrative powers is the appointment of the Chief Administrative Officer, Cabinet Officers and various other positions such as the City Treasurer, the City Recorder, and the City Engineer. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection, park construction and maintenance, street construction and maintenance, public improvements, engineering, building inspection, planning and zoning, administrative services, recreation services, storm drain system construction and maintenance, and street light system installation and maintenance. The City also operates water, waste collection, and River Oaks Golf Course as enterprise funds. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Sandy Redevelopment Agency is reported as a special revenue fund and Alta Canyon Recreation Special Service District is reported as an enterprise fund.

Comprehensive annual budgets are an essential element for the City's financial planning and control. Therefore, budgets are adopted annually (required by Utah state law) by the City Council for all funds except debt service funds used to account for special assessments. Utah state law also requires: 1) a balanced budget for each individual fund; however, redevelopment agencies are allowed to incur debt prior to triggering the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in "emergencies" (natural disasters). Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget and actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund, storm water fund, and Redevelopment Agency fund, this comparison begins on page 42

as part of the basic financial statements for the governmental funds. For the other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 87.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local Economy.** Sandy City continues to position ourselves as a destination location with attention focused on creating an enviable community with a variety of affordable housing options, high-paying employment centers, and hospitality offerings that benefit from our close proximity to Little Cottonwood Canyon's premiere skiing. Our amenities and quality of life are proving to be desirable for those wanting a walkable, transit-oriented city and those looking for an enjoyable, affordable family vacation.

The implementation of our civic master plan is underway with the launching of a large-scale branding campaign designed to highlight our unique assets, with the most beneficial being our ability to offer a "Mountain Meets Urban" experience for both Utahns and tourists. The impending sale of the Southtowne Mall offers great opportunity to revitalize this area as the south anchor of our master plan.

The following additional developments clearly show Sandy City continues to be an economic powerhouse:

- New ownership of Real Salt Lake stadium, with plans for a hotel and additional soccer amenities
- More than 1800 units of high density housing
- General Dynamics established a 130,000 square foot call center creating 1,600 high-paying jobs with approximately 900 additional jobs being created within Sandy.
- Two additional theaters in the popular Jordan Commons entertainment center
- County-supported high profile signage added to the Southtowne Exposition Center, already the most used exposition center in the United States
- One of the largest Deseret Industries Thrift Stores in Salt Lake County at 58,412 square feet.
- Continual retail additions including Fabulous Freddy's Car Wash, HuHot Mongolian Grill and construction on at least six new restaurants surrounding the Scheel's retail destination store
- A new 80,000 square foot Woodbury office building is near completion, with more Class A office space under design.
- A large-scale transit-oriented development under construction at the Civic Center Trax stop

Additional information about economic factors can be found on page 31 in MD&A.

**Long-Term Financial Planning.** The budget for fiscal year 2014 was prepared to help achieve the goals and values of our community as defined by the City's elected officials, based on citizen feedback received during the year, and by way of our annual citizen survey. We currently find ourselves at a time when our economy is recovering which enables us to satisfy unmet needs and to prepare to capitalize on opportunities on the horizon.

The fiscal year 2014 budget includes \$2,800,000 for projects related to the maintenance or reconstruction of our existing roads and sidewalks. Replacement of the Pepperwood water tank as well as keeping our municipal buildings in a condition of which we can be proud are accounted for in this budget as well. Included in this funding is an upgrade

to the sound and video system in the City Council Chambers. The City has also budgeted \$84,000 to replace much of the fire department's self-contained breathing equipment and has provided funding for a citizens fire academy. One-time funding of \$183,000 has been added for the municipal election while temporary funding of \$31,000 has been granted for homeless needs around the county. A splash pad at Amphitheater Park will also be built. Last year we set aside funding to complete our portion of the Jordan River Trail over the proposed 90<sup>th</sup> South Tunnel. This budget includes sufficient funding to complete the project.

The employee compensation plan will increase the cost of pay and benefits for existing employees by 3.8 percent. This increase is attributable to a 2 percent market increase, 1 percent for merit, a 5 percent increase in the benefit allowance, and targeted adjustments for employees at the low end of their salary range. The health insurance renewal resulted in a 9.3 percent increase with an additional increase to health premiums of 1.4 percent due to a fee required by the Affordable Care Act passed by Congress.

**Relevant financial policies.** The City takes pride in maintaining its pay-as-you-go strategy along with reasonable long-term financing to keep the debt burden low. Sandy City seeks the most practical and cost-efficient financing available. Following this policy has allowed the City to maintain a "AA+" bond rating for sales tax and water revenue bonds, and "AAA" for motor fuel excise tax revenue bonds. For further information on long-term liabilities, please refer to page 30 in MD&A and pages 66-73 in the notes to the financial statements.

Sandy City is funded through two categories of revenue: taxes and fees. While taxes pay for services provided to the general public, fees are intended to pay for all or part of the costs incurred to provide services to specific groups of citizens. The City is committed to: 1) estimate revenue conservatively; 2) minimize the use of one-time revenue to fund ongoing services; 3) aggressively collect all revenue or taxes due; 4) review user fees, impact fees, license and permit fees, and special assessments annually; 5) waive or defer fees only in accordance with the administrative appeal procedure under standards set by the City Council; and 6) seek to maintain a stable tax rate.

**Major initiatives.** Through the recent recession, the City has worked on a thirty-year master plan for our civic center known as the STEPS project. We are now nearing the point of implementation. The fiscal year 2014 budget includes \$252,000 for further planning such as the zoning code document and the branding plan. The budget includes an additional \$7,300,000 in state grant money for the extension of Monroe Street from 100<sup>th</sup> South to the mall ring road. Engineering is currently underway and we will soon move to acquire the needed right of way. Construction of the portion between 100<sup>th</sup> and 102<sup>nd</sup> South could begin by the summer of 2014. This is a major piece of the infrastructure for the STEPS project. Six million dollars of funding for another major piece was recently announced by the Utah Transportation Commission. It adds an underpass beneath 106<sup>th</sup> South allowing northbound traffic exiting I-15 to connect directly to Monroe Street. Together, these projects will greatly enhance the access and traffic flow in the civic center and be a major contributor to the success of the STEPS Project.

Recognizing the importance of a greener community, the City has found an opportunity to better manage solid waste with the transfer station/gasification project. This may be achieved by eliminating almost all waste we send to the landfill by converting the waste to electricity through a gasification process, which results in reduced truck traffic to the landfill. If successful, this project will result in tremendous cost savings and environmental benefits.

The City has joined forces with Salt Lake City for public safety dispatch which will result in operational advantages and long-term savings. The City has budgeted \$243,100 of startup and equipment costs that will be reimbursed from the annual savings of \$189,000. The transition from our current dispatch services with Valley Emergency

Communications Center took place in November. This transition was partially made possible by the City's sharing of Utah Department of Transportation's fiber optic network. In exchange for sharing the network, we will add cable to the network, primarily for traffic signal coordination, each time we do a major project. In addition to connecting the new public safety dispatch center in downtown Salt Lake City, we will utilize this opportunity for other major projects such as I-15, State Street, 7<sup>th</sup> East, and 13<sup>th</sup> East.

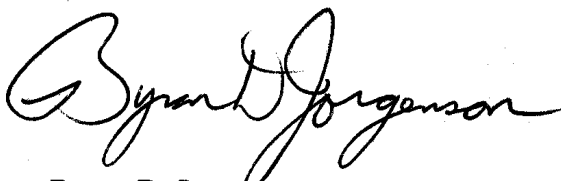
### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This was the twenty-sixth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

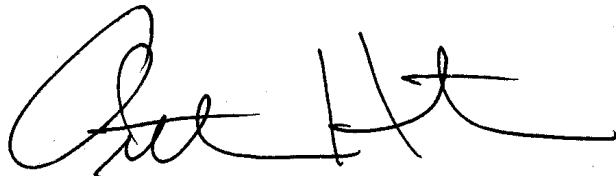
The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2013. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This is the ninth consecutive year the City has received this esteemed award.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Sandy City, preparation of this report would not have been possible.

**Respectfully Submitted,**



**Byron D. Jorgenson,  
City Administrator**



**Arthur D. Hunter,  
Finance and Information  
Services Director**

# **SANDY CITY**

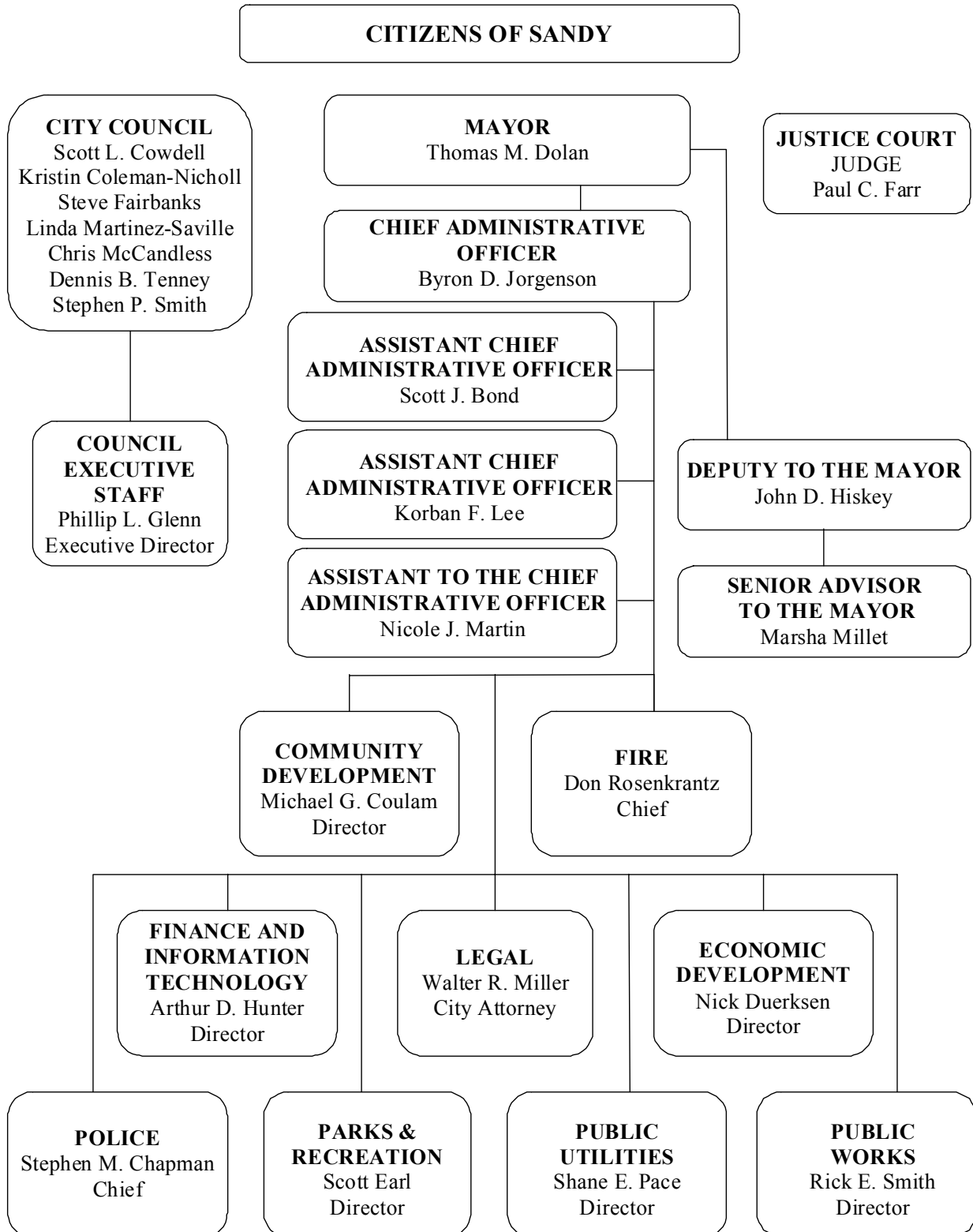
## **Elected Officials**

**Mayor ..... Thomas M. Dolan**  
**City Council - At Large ..... Linda Martinez-Saville**  
**City Council - At Large ..... Steven K. Fairbanks**  
**City Council - At Large ..... Stephen P. Smith**  
**City Council - District 1 ..... Scott L. Cowdell**  
**City Council - District 2 ..... Dennis B. Tenney**  
**City Council - District 3 ..... Kristin Coleman-Nicholl**  
**City Council - District 4 ..... Christopher K. McCandless**

## **Appointed Officials**

**Chief Administrative Officer ..... Byron D. Jorgenson**  
**Assistant Chief Administrative Officer ..... Scott J. Bond**  
**Assistant Chief Administrative Officer ..... Korban F. Lee**  
**Deputy to the Mayor ..... John D. Hiskey**  
**Senior Advisor to the Mayor ..... Marsha Millet**  
**Assistant to the Chief Administrative Officer - Communications . . . Nicole J. Martin**  
**City Attorney ..... Walter R. Miller**  
**Finance and Information Technology Director ..... Arthur D. Hunter**  
**Chief of Police ..... Stephen M. Chapman**  
**Fire Chief ..... Don Rosenkrantz**  
**Public Works Director ..... Rick E. Smith**  
**Public Utilities Director ..... Shane E. Pace**  
**Parks and Recreation Director ..... R. Scott Earl**  
**Community Development Director ..... Michael G. Coulam**  
**Economic Development Director ..... Nick Duerksen**

# SANDY CITY ORGANIZATIONAL STRUCTURE





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Sandy City  
Utah**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



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# FINANCIAL SECTION

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## **INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

Members of the City Council  
City of Sandy, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Utah (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the City's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

**Management's Responsibility for the Financial Statements.** Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility.** Our responsibility is to express an opinion on the basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion.** In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison information for the general fund and each major special revenue fund, as listed in the table of contents for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters.** Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-32 and the modified approach for infrastructure on page 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information.** Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, statistical section and schedule of business license fees are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards*.** In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Salt Lake City, Utah  
December 23, 2013

## **Management's Discussion and Analysis**

As management of Sandy City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which starts on page 7 of this report.

### **Financial Highlights**

- The assets plus deferred outflows of the City exceeded its liabilities plus deferred inflows at the close of fiscal year 2013 by \$554,164,219 (net position). Of this amount, \$47,079,007 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased \$9,604,750. Of this increase, 67.6 percent (\$6,493,929) is attributable to governmental activities, mostly from capital projects. Business-type activities provided a \$3,110,821 increase to the City's net position primarily from normal operations of the City's enterprise funds including increased water overage revenue resulting from the dry summer.
- As of the close of fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$21,743,994, a decrease of \$4,970,513 in comparison with fiscal year 2012. This is largely due to ongoing capital projects started in previous years and the purchase of land by the Redevelopment Agency.
- At the end of fiscal year 2013, unassigned fund balance of the general fund was \$6,120,410, or 14.4 percent of total general fund expenditures.
- The City's total long-term obligations decreased \$5,120,146 (5.3 percent) during fiscal year 2013. During the fiscal year, the City issued the Series 2013 Sales Tax Revenue Refunding Bond and paid three bonds in full through regularly scheduled bond payments. These transactions are discussed in detail on page 30 of MD&A and in note 11 on pages 66 to 73 of this report.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, storm water, electric utility, economic development, parks (including landscapes and cemeteries), and culture and recreation. The business-type activities of the City include water, waste collection, River Oaks Golf Course, and Alta Canyon Sports Center.

Although Alta Canyon Sports Center is a legally separate entity from the City (known as the primary government), the Sports Center provides services, which almost exclusively benefit the

City. Alta Canyon functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government (see more information about the Sports Center on page 48).

The government-wide financial statements can be found on pages 34-37 of this report.

**Fund financial statements:** A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds:* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, the storm water fund, and the Redevelopment Agency (RDA) fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* starting on page 92.

The City adopts an annual appropriated budget for its general fund as well as the storm water and RDA funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 38-44 of this report.

*Proprietary funds.* The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information services, risk management, payroll management, and equipment management. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course, all of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining* statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 45-47 of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 48-81 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the modified approach for infrastructure. Required supplementary information begins on page 83 of this report.



The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 88-117 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Sandy City, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$554,164,219 at the close of fiscal year 2013.

By far the largest *portion* of the City's net position (90.6 percent) reflects its investment in capital assets (*e.g.*, land, buildings, machinery, equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### SANDY CITY Summary of Net Position June 30, 2013 and 2012

	Governmental		Business-Type		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 48,979,541	\$ 52,383,619	\$ 25,226,862	\$ 25,394,992	\$ 74,206,403	\$ 77,778,611
Capital assets	461,014,618	453,548,800	129,445,416	127,244,749	590,460,034	580,793,549
Total assets	509,994,159	505,932,419	154,672,278	152,639,741	664,666,437	658,572,160
Total deferred outflows of resources	1,023,159	256,073	700,923	766,459	1,724,082	1,022,532
Long-term liabilities outstanding	70,728,367	74,922,812	20,552,278	21,477,978	91,280,645	96,400,790
Other liabilities	9,737,759	7,237,857	2,834,899	2,543,060	12,572,658	9,780,917
Total liabilities	80,466,126	82,160,669	23,387,177	24,021,038	103,853,303	106,181,707
Total deferred inflows of resources	8,012,075	7,982,635	360,922	870,881	8,372,997	8,853,516
Net Position:						
Net Investment in Capital Assets	393,223,376	381,451,684	108,832,306	105,637,905	502,055,682	487,089,589
Restricted	5,029,530	4,674,504	-0-	-0-	5,029,530	4,674,504
Unrestricted	24,286,211	29,919,000	22,792,796	22,876,376	47,079,007	52,795,376
Total Net Position	<u>\$ 422,539,117</u>	<u>\$ 416,045,188</u>	<u>\$ 131,625,102</u>	<u>\$ 128,514,281</u>	<u>\$ 554,164,219</u>	<u>\$ 544,559,469</u>

An additional portion of the City's net position (less than 1 percent) represents resources that are subject to external restrictions on how they may be used, all of which is from governmental activities. The remaining balance of *unrestricted net position* (\$47,079,007) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

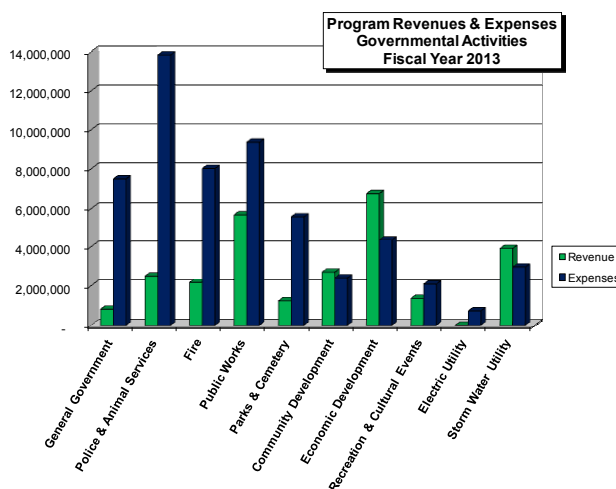
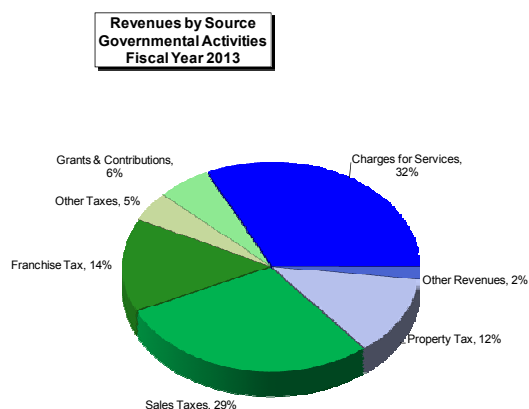
Restricted net position for governmental activities increased 7.6 percent (\$355,026) during fiscal year 2013 as a result of the collection of park impact fees yet to be expended.

**SANDY CITY**  
**Change in Net Position**  
**For the Years Ended June 30, 2013 and 2012**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 20,454,775	\$ 19,528,882	\$ 29,188,673	\$ 31,160,844	\$ 49,643,448	\$ 50,689,726
Operating Grants and Contributions	3,405,485	3,356,286	-0-	-0-	3,405,485	3,356,286
Capital Grants and Contributions	3,375,315	5,703,845	191,267	-0-	3,566,582	5,703,845
<b>General Revenues:</b>						
Property Taxes	7,821,494	7,824,467	368,088	366,775	8,189,582	8,191,242
Sales Taxes	18,292,178	16,949,514	-0-	-0-	18,292,178	16,949,514
Franchise Taxes	9,162,809	8,768,487	-0-	-0-	9,162,809	8,768,487
Motor Vehicle Taxes	614,094	629,069	33,212	34,271	647,306	663,340
Transient Room Taxes	2,289,603	2,213,721	-0-	-0-	2,289,603	2,213,721
Special Assessments	8,870	64,623	-0-	-0-	8,870	64,623
Interest Income	204,803	202,181	81,504	95,684	286,307	297,865
Gain (Loss) on Sale of Assets	1,000	362,416	-0-	-0-	1,000	362,416
Sundry Revenue	1,006,835	1,072,926	-0-	-0-	1,006,835	1,072,926
<b>Total Revenues</b>	<b>66,637,261</b>	<b>66,676,417</b>	<b>29,862,744</b>	<b>31,657,574</b>	<b>96,500,005</b>	<b>98,333,991</b>
<b>Expenses</b>						
<b>Governmental</b>						
General Government	7,501,102	7,203,080	-0-	-0-	7,501,102	7,203,080
Police and Animal Control	13,845,161	13,327,163	-0-	-0-	13,845,161	13,327,163
Fire	8,011,692	7,640,856	-0-	-0-	8,011,692	7,640,856
Public Works	9,372,277	11,573,000	-0-	-0-	9,372,277	11,573,000
Parks, Landscapes and Cemetery	5,583,595	4,983,440	-0-	-0-	5,583,595	4,983,440
Community Development	2,416,326	2,440,463	-0-	-0-	2,416,326	2,440,463
Economic Development	4,366,032	2,308,793	-0-	-0-	4,366,032	2,308,793
Recreation and Cultural Events	2,078,346	2,496,911	-0-	-0-	2,078,346	2,496,911
Electric Utility	760,145	1,176,196	-0-	-0-	760,145	1,176,196
Storm Water Utility	2,957,305	2,730,428	-0-	-0-	2,957,305	2,730,428
Interest on Long-Term Debt	3,101,351	3,545,371	-0-	-0-	3,101,351	3,545,371
<b>Business-Type</b>						
Alta Canyon Sports Center	-0-	-0-	1,192,932	1,279,180	1,192,932	1,279,180
Water	-0-	-0-	20,058,873	20,161,874	20,058,873	20,161,874
Waste	-0-	-0-	4,214,985	4,245,275	4,214,985	4,245,275
Golf Course	-0-	-0-	1,435,133	1,331,806	1,435,133	1,331,806
<b>Total Expenses</b>	<b>59,993,332</b>	<b>59,425,700</b>	<b>26,901,923</b>	<b>27,018,135</b>	<b>86,895,255</b>	<b>86,443,835</b>
<b>Increase in Net Position Before Transfers</b>	<b>6,643,929</b>	<b>7,250,717</b>	<b>2,960,821</b>	<b>4,639,439</b>	<b>9,604,750</b>	<b>11,890,156</b>
Transfers	(150,000)	(250,305)	150,000	250,305	-0-	-0-
<b>Increase in Net Position</b>	<b>6,493,929</b>	<b>7,000,412</b>	<b>3,110,821</b>	<b>4,889,744</b>	<b>9,604,750</b>	<b>11,890,156</b>
Beginning Net Position - As Restated [Note 23]	416,045,188	409,044,776	128,514,281	123,624,537	544,559,469	532,669,313
<b>Ending Net Position</b>	<b>\$ 422,539,117</b>	<b>\$ 416,045,188</b>	<b>\$ 131,625,102</b>	<b>\$ 128,514,281</b>	<b>\$ 554,164,219</b>	<b>\$ 544,559,469</b>

**Governmental activities:** Governmental activities increased the City's net position \$6,493,929. Key elements affecting governmental activities net position are as follows:

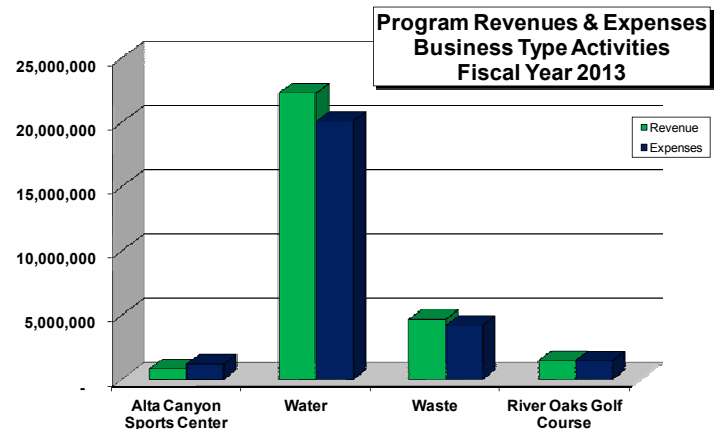
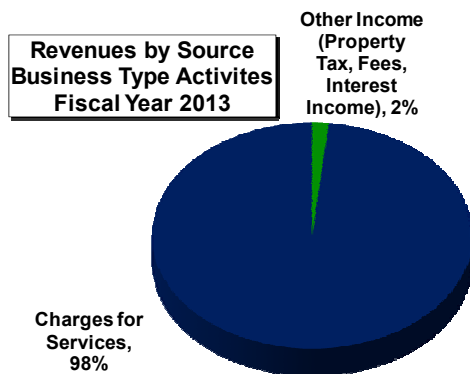
- General fund revenues posted \$2,564,657 above expectations during fiscal year 2013, with sales tax revenue coming in \$1,980,178 over budget.
- The City received \$500,000 for Monroe Street improvements and \$250,000 for the pedestrian tunnel on 10200 South Street from the state and county, respectively, which has yet to be expended.
- During fiscal year 2013, the City purchased land at 9950 Monroe Street for \$7,503,439. The City's governmental funds finished \$6,012,319 of capital projects including \$2,860,961 that began in prior years. More detailed information on capital additions can be found in the Capital Assets and Debt Administration section of MD&A beginning on page 28.



**Business-type activities:** Business-type activities increased the City's net position by \$3,110,821. Key elements of the change in business-type net position are as follows:

- Retail sales for the water fund posted \$1,471,217 (7.7 percent) above expectations.
- During fiscal year 2013, the water fund finished the new Severson well house at a cost of \$1,038,794, added \$2,794,070 in new construction in progress, mostly for the high bench booster station (\$1,501,770), and finished \$3,265,590 of main line improvements.
- Normal operating activities contributed to an increase in business-type activities net position of \$485,941 from the waste fund and \$170,937 from River Oaks Golf Course.

- Increases in instruction fees at Alta Canyon Sports Center helped facilitate the \$8,225 increase in business-type net position.



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Sandy City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of fiscal year 2013, the City's governmental funds reported combined ending fund balances of \$21,743,994, a decrease of \$4,970,513 in comparison with fiscal year 2012. Of this amount, \$30,730 is unspendable, \$8,198,215 is restricted, and \$9,405,273 is committed by the City for capital projects and debt service. The remainder of governmental fund balance, \$4,109,776 (18.9 percent), is unassigned, and is therefore available for spending at the City's discretion.

The general fund is the chief operating fund of the City. At the end of fiscal year 2013, fund balance of the general fund was \$6,151,140, of which \$30,730 has been paid for future services (prepaid assets) and is therefore unspendable. As a measure of the general fund's liquidity, it

may be useful to compare both unassigned fund balance (\$6,120,410) and total fund balance to total fund expenditures. Unassigned fund balance represents 14.4 percent of the total general fund expenditures.

The fund balance of the City's general fund increased \$647,254. The City received \$1,980,178 more in sales and use tax revenue and \$396,209 more in franchise taxes than expected. While building permit revenue posted \$445,839 above expectations, court fines and ambulance fees were short \$307,929 and \$128,255 respectively. The City's general fund transferred \$2,448,763 to the capital projects fund for future projects.

The storm water fund experienced an increase in fund balance of \$226,053 for fiscal year 2013 resulting in total fund balance of \$1,883,793, all of which is restricted for storm water projects.

The debt service fund has a total fund balance of \$1,793,706, of which \$1,663,836 is restricted for the payment of debt service with the remaining \$129,870 committed for debt service. The net fund balance decreased \$371,514 during fiscal year 2013. The City issued Series 2013 Federally Taxable Sales Tax Revenue Refunding bonds in the amount of \$6,780,000 to partially refund the Series 2004 Sales Tax Revenue Bonds.

Fund balance in the capital projects fund decreased \$2,612,463 during fiscal year 2013 leaving an ending fund balance of \$12,610,367. Of the ending fund balance, \$3,334,964 is restricted for specific capital projects, including roads. The remaining \$9,275,403 is committed to certain projects by City Council.

The Redevelopment Agency (RDA) ended the fiscal year with a negative fund balance of \$2,010,634, reflecting a decrease of \$2,756,821 in fiscal year 2013. During fiscal year 2013, the RDA paid \$3,876,276 toward the purchase of land and collected \$274,603 more in transient room taxes than expected.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's enterprise funds experienced cumulative growth of \$3,174,009 in net position from enterprise funds amounting to total net position of \$119,656,386 for the water fund, \$7,913,880 for the waste fund, \$885,516 for Alta Canyon Sports Center, and \$2,549,444 for River Oaks Golf Course. Total net position from all internal service funds is \$16,801,719.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

While the general fund budget for expenditures remained the same during fiscal year 2013, there were some changes to the budget within the general fund. Expenditures of \$75,000 were appropriated for snow removal, \$9,000 for the Sandy Club Quid Pro Quo study, and \$15,000 for the Run Elevated half marathon, all funded from the general fund contingency.

General fund expenditures fell \$478,071 below budgeted appropriations. This budget savings occurred in Public Works (\$140,783) primarily from hazardous concrete repair and street reconstruction. Other departments with significant budget savings include Non-departmental with \$138,148 in savings from ongoing projects such as updating City ordinances, STEPS Master Planning, and the City newsletter, and the City Administrator whose savings of \$112,468 mostly come from operations of the Sandy City Centre building. General fund balance increased \$647,254 allowing the City to maintain General fund balance at 11.5 percent of estimated revenues.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2013 are water rights and capacity, water system, land, buildings, improvements other than buildings, machinery and equipment, vehicles, infrastructure (roadway system), street light system, and storm drain system. The net increase in the City's investment in capital assets for fiscal year 2013 was \$9,666,485 (a 1.6 percent increase for governmental activities and 1.7 percent for business-type activities).

Major capital asset events during fiscal year 2013 included the following:

- The City purchased land at 9950 Monroe Street for \$7,503,439 intending to sell the property to Hale Centre Theatre for the same price to facilitate their relocation to Sandy City.
- The City finished \$2,202,868 of roads infrastructure including the 1300 East improvements totaling \$906,424.

- The Public Utilities department finished the Southeast Quadrant storm drain project for \$774,449 as well as \$692,324 of various other storm water infrastructure.
- The New Severson well house was completed for a total cost of \$1,038,794, of which \$603,005 was started in prior years.
- The water fund added \$2,794,070 to construction in progress including \$1,501,770 for the High Bench Booster Station.
- Water main improvements completed in fiscal year 2013 totaled \$3,265,590.
- The City replaced a fire truck for \$449,433, 13 police vehicles totaling \$336,384, and added a fire training tower costing \$166,240 and an additional police vehicle for \$17,839.

**SANDY CITY**  
**Capital Assets**  
**June 30, 2013**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2013	2012	2013	2012	2013	2012
Capital Assets not Being Depreciated						
Land	\$ 229,250,076	\$ 221,468,330	\$ 7,117,699	\$ 6,768,734	\$ 236,367,775	\$ 228,237,064
Infrastructure	131,762,245	129,559,377	-0-	-0-	131,762,245	129,559,377
Construction in Progress	578,497	2,873,364	2,992,820	2,055,246	3,571,317	4,928,610
Capital Assets, Net of Depreciation						
Water Rights and Capacity	-0-	-0-	40,762,413	40,703,501	40,762,413	40,703,501
Buildings and Systems	64,314,457	64,746,539	75,615,747	74,757,527	139,930,204	139,504,066
Improvement Other Than Buildings	27,076,719	27,237,245	1,612,031	1,577,317	28,688,750	28,814,562
Vehicles	5,986,693	5,962,482	995,408	1,031,267	6,982,101	6,993,749
Machinery and Equipment	2,045,931	1,701,463	349,298	351,157	2,395,229	2,052,620
<b>Total</b>	<b>\$ 461,014,618</b>	<b>\$ 453,548,800</b>	<b>\$ 129,445,416</b>	<b>\$ 127,244,749</b>	<b>\$ 590,460,034</b>	<b>\$ 580,793,549</b>

Because many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained, GAAP allow a government to forego reporting depreciation in connection with networks or subsystems of infrastructure assets. A government choosing this option must commit to maintain those particular infrastructure assets at a predetermined condition level of its own choosing and must establish an asset management system adequate for that purpose. Sandy City has established a policy to maintain at least 80 percent of its roadway system in a good or better condition and have no more than 10 percent in substandard condition. For the fiscal year ended June 30, 2013, the City has exceeded this goal for each of the three subsystems of the roadway network (arterials, collectors, and secondary) with 91.9 percent of the overall roadway network being in good or better condition and only 0.5 percent in substandard condition. This is a 0.4 percent increase from those in good or better condition at the end of fiscal year 2012 and a 0.1 percent increase in substandard condition from the fiscal year ended June 30, 2012. The projected needed amount of \$6,940,860 compared to the actual amount spent (\$5,643,726) reflects careful prioritization to maintain road infrastructure in good or better conditions. More detailed

information on this subject can be found in note 1 on page 54 in the notes to the financial statements and in the Required Supplementary Information section on page 85.

Additional information on the City's capital assets can be found in note 10 of the notes to the financial statements beginning on page 63 of this report.

**Long-term debt.** At the end of fiscal year 2013, the City had total long-term obligations outstanding of \$91,280,644. The City's bonded debt (\$75,330,000) represents bonds secured solely by specified revenue sources (*i.e.* revenue bonds). The City's long-term obligations outstanding also include notes payable, long-term contracts payable, and compensated absences totaling \$15,950,644.

**SANDY CITY**  
**Outstanding Debt**  
**As of June 30, 2013**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2013	2012	2013	2012	2013	2012
Special Assessment Debt with Governmental Commitment	\$ -0-	\$ 341,000	\$ -0-	\$ -0-	\$ -0-	\$ 341,000
Tax Increment Bond	9,985,000	10,355,000	-0-	-0-	9,985,000	10,355,000
Revenue Bonds	57,161,242	60,566,242	8,183,758	8,728,758	65,345,000	69,295,000
Total Bonds Payable	67,146,242	71,262,242	8,183,758	8,728,758	75,330,000	79,991,000
Notes Payable	645,000	835,000	-0-	-0-	645,000	835,000
Compensated Absences	2,937,124	2,825,570	-0-	-0-	2,937,124	2,825,570
Long-Term Contracts Payable	-0-	-0-	12,368,520	12,749,220	12,368,520	12,749,220
Total Other Debt	3,582,124	3,660,570	12,368,520	12,749,220	15,950,644	16,409,790
<b>Total Outstanding Debt</b>	<b>\$70,728,366</b>	<b>\$74,922,812</b>	<b>\$20,552,278</b>	<b>\$21,477,978</b>	<b>\$ 91,280,644</b>	<b>\$ 96,400,790</b>

The City's total long-term debt decreased \$5,120,146 (5.3 percent) during fiscal year 2013. The City issued the Series 2013 Federally Taxable Sales Tax Revenue Refunding Bonds in the amount of \$6,780,000 to partially refund the Series 2004 Sales Tax Revenue Bonds.

The City's sales tax revenue bonds and water refunding bonds are rated "AA+" by Standard and Poor's. Moody's Investor Services rated the 2007 Motor Fuel Excise Tax Revenue Bonds "AAA". Because the 2008 Tax Increment Bonds and the 2007 Transient Room Tax Bonds were privately placed, there was no rating requirement.

Utah state statute limits the amount of general obligation debt a governmental entity may issue to eight percent of the "reasonable fair cash value" of property. Of this percentage, a maximum of four percent may be used for general purposes. The remaining four percent and any unused portion of the four percent available for general purposes, up to the maximum eight percent,



may be utilized for water and/or sewer purposes. The current debt limitation for the City's general-purpose debt and for the City as a whole is \$729,695,010. The City currently has no outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note 11 on pages 66-73 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Utah's economy continues to strengthen faster than the nation as a whole. Utah added 33,200 jobs during the fiscal year resulting in a state unemployment rate of 4.7 percent, which is significantly lower than the national unemployment rate of 7.3 percent. And to further demonstrate continuing economic growth, sales tax revenue, the City's most significant revenue source, fueled by auto sales and the opening of the new Scheels store, grew by a solid 7.9 percent during fiscal year 2013. While the improving job market and increasing sales tax receipts are a promising indicator of further growth, the fiscal year 2014 budget reflects cautious projections.

The Fire department added a \$25 fee for non-Sandy residents who take the Community Emergency Response Team (CERT) course to cover the cost of supplies.

Parks reservation, building rental, and cemetery fees as well as various recreation programs, golf, and Alta Canyon Sports Center fees increased to cover the rising costs for facilities, wages, utilities, and supplies. Some of these fees were also increased based on a market survey and increased sanction fees. Alta Canyon Sports Center further increased some fees based on Alta Canyon Board recommendations.

The Public Utilities department changed the meter tamper fee from \$50 plus parts to the actual cost of labor and materials. Additionally, meter set fees increased from \$191 to \$265 for a ¾ inch meter and from \$230 to \$295 for a one inch meter due to a new meter reading system requiring a radio transmitter at each location.

## **Requests for Information**

This financial report is designed to provide a general overview of Sandy City's finances for everyone with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sandy City Finance Department, 10000 Centennial Parkway, Sandy, Utah 84070.

# BASIC FINANCIAL STATEMENTS

**SANDY CITY**  
**Statement of Net Position**  
**June 30, 2013**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 29,527,467	\$ 12,656,845	\$ 42,184,312
Receivables - Net	14,137,597	4,389,347	18,526,944
Intergovernmental Receivable	713,609	510,275	1,223,884
Internal Balances	(619,876)	619,876	-0-
Inventories	177,171	983,764	1,160,935
Prepaid Assets	44,773	-0-	44,773
Restricted Cash:			
Road Funds	897,173	-0-	897,173
Capital Projects	2,437,791	-0-	2,437,791
Debt Service	1,663,836	-0-	1,663,836
Investment in Joint Venture	-0-	6,066,755	6,066,755
Capital Assets Not Being Depreciated			
Land	229,250,076	7,117,699	236,367,775
Infrastructure	131,762,245	-0-	131,762,245
Construction in Progress	578,497	2,992,820	3,571,317
Water Rights and Capacity	-0-	40,762,413	40,762,413
Capital Assets, Net of Accumulated Depreciation			
Buildings and Systems	64,314,457	75,615,747	139,930,204
Improvements Other Than Buildings	27,076,719	1,612,031	28,688,750
Vehicles	5,986,693	995,408	6,982,101
Machinery and Equipment	2,045,931	349,298	2,395,229
Total Assets	<u>\$ 509,994,159</u>	<u>\$ 154,672,278</u>	<u>\$ 664,666,437</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred Charge on Refunding	<u>1,023,159</u>	<u>700,923</u>	<u>1,724,082</u>
Total Deferred Outflows of Resources	<u>\$ 1,023,159</u>	<u>\$ 700,923</u>	<u>\$ 1,724,082</u>

The accompanying notes are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Total
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 2,217,053	\$ 1,270,386	\$ 3,487,439
Salaries and Benefits Payable	1,686,261	120,838	1,807,099
Accrued Interest Payable	1,207,799	55,509	1,263,308
Unamortized Bond Premium	765,840	462,683	1,228,523
Claims and Judgements Payable	229,341	-0-	229,341
Intergovernmental Payable	2,948	-0-	2,948
Unearned Revenue	53,042	107,798	160,840
Customer Deposits	3,575,475	817,685	4,393,160
Noncurrent Liabilities:			
Due within One Year	5,067,468	1,015,930	6,083,398
Due in More Than One Year	65,660,899	19,536,348	85,197,247
Total Liabilities	80,466,126	23,387,177	103,853,303
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable Revenue - Property Taxes	8,012,075	360,922	8,372,997
Total Deferred Inflows of Resources	8,012,075	360,922	8,372,997
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	393,223,376	108,832,306	502,055,682
Restricted for:			
General Fund	30,730	-0-	30,730
Debt service	1,663,836	-0-	1,663,836
Capital Projects	2,437,791	-0-	2,437,791
Road Funds	897,173	-0-	897,173
Unrestricted	24,286,211	22,792,796	47,079,007
Total Net Assets	\$ 422,539,117	\$ 131,625,102	\$ 554,164,219

**SANDY CITY**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 7,501,102	\$ 844,070	\$ -0-	\$ -0-
Police and Animal Control	13,845,161	2,380,918	127,194	-0-
Fire	8,011,692	2,165,087	13,359	-0-
Public Works	9,372,277	207,322	2,881,091	2,594,133
Parks, Landscapes and Cemetery	5,583,595	534,425	-0-	718,196
Community Development	2,416,326	2,322,539	383,841	-0-
Economic Development	4,366,032	6,783,466	-0-	-0-
Recreation and Cultural Events	2,078,346	1,312,058	-0-	62,986
Electric Utility	760,145	1,654	-0-	-0-
Storm Water Utility	2,957,305	3,903,236	-0-	-0-
Interest on Long-Term Debt	3,101,351	-0-	-0-	-0-
Total Governmental Activities	59,993,332	20,454,775	3,405,485	3,375,315
Business-Type Activities:				
Alta Canyon Sports Center	1,192,932	796,486	-0-	-0-
Water	20,058,873	22,261,334	-0-	191,267
Waste	4,214,985	4,684,670	-0-	-0-
Golf Course	1,435,133	1,446,183	-0-	-0-
Total Business-Type Activities	26,901,923	29,188,673	-0-	191,267
Total Primary Government	\$ 86,895,255	\$ 49,643,448	\$ 3,405,485	\$ 3,566,582
General Revenues:				
Property Taxes				
Sales Taxes				
Franchise Taxes				
Motor Vehicle Taxes				
Transient Room Taxes				
Interest Income				
Sundry Revenue				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Beginning Net Position - As Restated [Note 23]				
Ending Net Position				

The accompanying notes are an integral part of this statement.

**Net (Expenses) Revenues and Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (6,657,032)	\$ -0-	\$ (6,657,032)
(11,337,049)	-0-	(11,337,049)
(5,833,246)	-0-	(5,833,246)
(3,689,731)	-0-	(3,689,731)
(4,330,974)	-0-	(4,330,974)
290,054	-0-	290,054
2,417,434	-0-	2,417,434
(703,302)	-0-	(703,302)
(758,491)	-0-	(758,491)
945,931	-0-	945,931
(3,101,351)	-0-	(3,101,351)
<u>(32,757,757)</u>	<u>-0-</u>	<u>(32,757,757)</u>
-0-	(396,446)	(396,446)
-0-	2,393,728	2,393,728
-0-	469,685	469,685
<u>-0-</u>	<u>11,050</u>	<u>11,050</u>
<u>-0-</u>	<u>2,478,017</u>	<u>2,478,017</u>
<u>(32,757,757)</u>	<u>2,478,017</u>	<u>(30,279,740)</u>
7,821,494	368,088	8,189,582
18,292,178	-0-	18,292,178
9,162,809	-0-	9,162,809
614,094	33,212	647,306
2,289,603	-0-	2,289,603
204,803	81,504	286,307
1,016,705	-0-	1,016,705
<u>(150,000)</u>	<u>150,000</u>	<u>-0-</u>
<u>39,251,686</u>	<u>632,804</u>	<u>39,884,490</u>
6,493,929	3,110,821	9,604,750
416,045,188	128,514,281	544,559,469
<u>\$ 422,539,117</u>	<u>\$ 131,625,102</u>	<u>\$ 554,164,219</u>

**SANDY CITY**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Governmental Funds Total
<b><u>ASSETS</u></b>							
Cash and Cash Equivalents	\$ 7,629,934	\$ 1,558,039	\$ 65,795	\$ 8,695,503	\$ 6,046,090	\$ 1,406,945	\$ 25,402,306
Receivables - Net	11,324,021	383,685	64,075	46	1,273,737	81	13,045,645
Due from other Governments	619,520	-0-	-0-	31,949	-0-	62,140	713,609
Due From Other Funds	-0-	-0-	-0-	1,665,524	-0-	-0-	1,665,524
Prepaid Assets	30,730	-0-	-0-	-0-	-0-	-0-	30,730
Restricted Cash:							
Road Funds	-0-	-0-	-0-	897,173	-0-	-0-	897,173
Capital Projects	-0-	-0-	-0-	2,437,791	-0-	-0-	2,437,791
Debt Service	-0-	-0-	1,663,836	-0-	-0-	-0-	1,663,836
Total Assets	19,604,205	1,941,724	1,793,706	13,727,986	7,319,827	1,469,166	45,856,614
<b><u>LIABILITIES</u></b>							
Accounts Payable	785,683	31,313	-0-	1,117,619	37,636	92,908	2,065,159
Salaries and Benefits Payable	1,430,696	26,618	-0-	-0-	6,356	35,665	1,499,335
Due to Other Governments	2,948	-0-	-0-	-0-	-0-	-0-	2,948
Due to Other Funds	-0-	-0-	-0-	-0-	9,286,469	17,910	9,304,379
Unearned Revenue	53,042	-0-	-0-	-0-	-0-	-0-	53,042
Deposits	3,568,414	-0-	-0-	-0-	-0-	7,061	3,575,475
Total Liabilities	5,840,783	57,931	-0-	1,117,619	9,330,461	153,544	16,500,338
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Unavailable Revenue - Property Taxes	7,612,282	-0-	-0-	-0-	-0-	-0-	7,612,282
Total Deferred Inflows of Resources	7,612,282	-0-	-0-	-0-	-0-	-0-	7,612,282
<b><u>FUND BALANCES</u></b>							
Nonspendable:							
Prepaid Assets	30,730	-0-	-0-	-0-	-0-	-0-	30,730
Restricted for:							
Storm Water	-0-	1,883,793	-0-	-0-	-0-	-0-	1,883,793
Debt Service	-0-	-0-	1,663,836	-0-	-0-	-0-	1,663,836
Capital Projects	-0-	-0-	-0-	2,437,791	-0-	-0-	2,437,791
Roads	-0-	-0-	-0-	897,173	-0-	-0-	897,173
Landscape Maintenance	-0-	-0-	-0-	-0-	-0-	17,510	17,510
Recreation	-0-	-0-	-0-	-0-	-0-	369,719	369,719
Community Events	-0-	-0-	-0-	-0-	-0-	137,401	137,401
Sandy Arts Guild	-0-	-0-	-0-	-0-	-0-	278,188	278,188
Electric Utility	-0-	-0-	-0-	-0-	-0-	192,125	192,125
Sandy City Donations	-0-	-0-	-0-	-0-	-0-	320,679	320,679
Committed for:							
Capital Projects	-0-	-0-	-0-	9,275,403	-0-	-0-	9,275,403
Debt Service	-0-	-0-	129,870	-0-	-0-	-0-	129,870
Unassigned	6,120,410	-0-	-0-	-0-	(2,010,634)	-0-	4,109,776
Total Fund Balances	6,151,140	1,883,793	1,793,706	12,610,367	(2,010,634)	1,315,622	21,743,994
Total Liabilities and Fund Balances	\$ 19,604,205	\$ 1,941,724	\$ 1,793,706	\$ 13,727,986	\$ 7,319,827	\$ 1,469,166	\$ 45,856,614

The accompanying notes are an integral part of this statement.



## SANDY CITY

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2013

---

Total Fund Balances for Governmental Funds (page 38)

\$ 21,743,994

#### Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Capital Assets used in governmental activities are not current financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 229,250,076	
Buildings and Systems	64,314,457	
Improvements Other Than Buildings	27,076,719	
Vehicles	845	
Machinery and Equipment	815,951	
Infrastructure	131,762,245	
Construction in Progress	578,497	
Total Capital Assets		453,798,790

Other long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds.

711,976

A portion of the excess revenue collected by the internal service funds must be returned to the business-type activities.

(619,876)

Internal services funds are used by the City to charge the costs of the fleet operations, information services, risk management, equipment and employee benefits to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

16,801,719

Long-term liabilities, including bonds payable, are not due and payable in the current period and accordingly are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Accrued Interest Payable	(1,207,799)	
Unamortized Bond Premiums and Discounts	(765,840)	
Economic Loss from Defeasance of Debt	1,023,159	
Bonds, Notes and Leases Payable	(67,791,242)	
Compensated Absences - Noncurrent	(1,155,764)	
		(69,897,486)

Net Position of Governmental Activities (page 35)

\$ 422,539,117

The accompanying notes are an integral part of this statement.

# SANDY CITY

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

For the Year Ended June 30, 2013

	General	Storm Water	Debt Service	Capital Projects	RDA	Non-major Funds	Governmental Funds Total
<b>Revenues:</b>							
Taxes	\$ 35,986,486	\$ -0-	\$ -0-	\$ -0-	\$ 7,905,291	\$ -0-	\$ 43,891,777
Special Assessments	-0-	-0-	8,870	-0-	-0-	2,290	11,160
Innkeeper Fees	-0-	-0-	407,498	-0-	-0-	-0-	407,498
Licenses and Permits	2,301,985	-0-	-0-	-0-	-0-	-0-	2,301,985
Intergovernmental	3,255,996	-0-	565,337	793,981	-0-	446,827	5,062,141
Administrative Charges	2,644,630	-0-	-0-	-0-	-0-	-0-	2,644,630
Fines and Forfeitures	2,133,901	-0-	-0-	620	-0-	-0-	2,134,521
Cell Tower Lease	445,587	-0-	-0-	119,670	-0-	-0-	565,257
Fees from Developers	-0-	131,630	28,957	461,286	-0-	-0-	621,873
Charges for Sales and Services	3,202,051	3,698,049	-0-	-0-	-0-	1,283,855	8,183,955
Interest Income	15,957	6,687	13,314	86,792	65,243	16,811	204,804
Miscellaneous	102,233	73,556	-0-	58,938	3,303	274,402	512,432
Total Revenues	50,088,826	3,909,922	1,023,976	1,521,287	7,973,837	2,024,185	66,542,033
<b>Expenditures:</b>							
General Government	9,219,376	-0-	-0-	-0-	-0-	33,941	9,253,317
Police and Animal Control	13,587,799	-0-	-0-	-0-	-0-	247,294	13,835,093
Fire	7,959,869	-0-	-0-	-0-	-0-	13,552	7,973,421
Public Works	5,703,689	-0-	-0-	-0-	-0-	246	5,703,935
Parks, Landscapes and Cemetery	3,994,120	-0-	-0-	-0-	-0-	4,486	3,998,606
Community Development	2,173,104	-0-	-0-	-0-	-0-	167,844	2,340,948
Economic Development	-0-	-0-	-0-	-0-	1,361,373	-0-	1,361,373
Recreation and Cultural Events	-0-	-0-	-0-	-0-	-0-	2,236,288	2,236,288
Electric Utility	-0-	-0-	-0-	-0-	-0-	957,466	957,466
Storm Water Utility	-0-	1,679,945	-0-	-0-	-0-	-0-	1,679,945
Capital Outlays	-0-	679,787	-0-	8,730,693	5,624,651	-0-	15,035,131
Debt Service							
Principal	-0-	-0-	4,746,000	-0-	-0-	-0-	4,746,000
Interest	-0-	-0-	3,170,976	-0-	76,754	-0-	3,247,730
Bond Issuance Cost and Trustee Fees	-0-	-0-	599,977	-0-	-0-	-0-	599,977
Total Expenditures	42,637,957	2,359,732	8,516,953	8,730,693	7,062,778	3,661,117	72,969,230
Excess (Deficiency) of Revenues Over Expenditures	7,450,869	1,550,190	(7,492,977)	(7,209,406)	911,059	(1,636,932)	(6,427,197)
<b>Other Financing Sources (Uses):</b>							
Issuance of Debt	-0-	-0-	6,780,000	-0-	-0-	-0-	6,780,000
Bond Premium	-0-	-0-	1,209	-0-	-0-	-0-	1,209
Redemption of Refunded Bonds	-0-	-0-	(6,340,000)	-0-	-0-	-0-	(6,340,000)
Sale of Capital Assets	1,000	-0-	-0-	-0-	1,164,475	-0-	1,165,475
Transfers In	-0-	-0-	6,680,254	4,596,943	-0-	1,754,649	13,031,846
Transfers Out	(6,804,615)	(1,324,137)	-0-	-0-	(4,832,355)	(220,739)	(13,181,846)
Total Other Financing Sources (Uses)	(6,803,615)	(1,324,137)	7,121,463	4,596,943	(3,667,880)	1,533,910	1,456,684
Net Change in Fund Balances	647,254	226,053	(371,514)	(2,612,463)	(2,756,821)	(103,022)	(4,970,513)
Beginning Fund Balances - As Restated [Note 23]	5,503,886	1,657,740	2,165,220	15,222,830	746,187	1,418,644	26,714,507
Ending Fund Balances	\$ 6,151,140	\$ 1,883,793	\$ 1,793,706	\$ 12,610,367	\$ (2,010,634)	\$ 1,315,622	\$ 21,743,994

The accompanying notes are an integral part of this statement.

## SANDY CITY

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2013

---

Net Change in Fund Balances - Total Governmental (page 40) \$ (4,970,513)

**Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. 7,217,490

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (107,007)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 4,758,002

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 37,562

Internal service funds are used by the City to charge the costs of various activities to individual funds. A portion of the internal service funds net revenues is reported with governmental activities. (441,605)

Change in Net Position of Governmental Activities (page 37) \$ 6,493,929

The accompanying notes are an integral part of this statement.

**SANDY CITY****General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Taxes:				
General Property Taxes	\$ 7,875,000	\$ 7,875,000	\$ 7,917,405	\$ 42,405
General Sales and Use Taxes	16,312,000	16,312,000	18,292,178	1,980,178
Franchise Taxes	8,766,600	8,766,600	9,162,809	396,209
Motor Vehicle Fee	595,000	595,000	614,094	19,094
Total Taxes	33,548,600	33,548,600	35,986,486	2,437,886
Licenses and Permits	1,809,300	1,809,300	2,301,985	492,685
Intergovernmental	3,195,920	3,195,920	3,255,996	60,076
Administrative Charges	2,644,630	2,644,630	2,644,630	-0-
Fines and Forfeitures	2,442,000	2,442,000	2,133,901	(308,099)
Cell Tower Lease	434,555	434,555	445,587	11,032
Charges for Sales and Services	3,326,164	3,326,164	3,202,051	(124,113)
Interest Income	43,000	43,000	15,957	(27,043)
Miscellaneous	80,000	80,000	102,233	22,233
Total Revenues	47,524,169	47,524,169	50,088,826	2,564,657
<b>Expenditures:</b>				
General Government:				
Mayor	504,504	504,504	504,317	187
City Administrator	2,611,972	2,611,972	2,499,504	112,468
City Council	591,395	591,395	590,381	1,014
City Attorney	1,159,250	1,159,250	1,165,886	(6,636)
Court Services	1,325,428	1,325,428	1,323,246	2,182
Finance	1,647,246	1,647,246	1,646,158	1,088
Non-Departmental	1,703,032	1,628,032	1,489,884	138,148
Total General Government	9,542,827	9,467,827	9,219,376	248,451
Public Safety:				
Police and Animal Control	13,599,772	13,599,772	13,587,799	11,973
Fire	7,959,894	7,959,894	7,959,869	25
Total Public Safety	21,559,666	21,559,666	21,547,668	11,998
Public Works	5,774,472	5,844,472	5,703,689	140,783
Parks and Cemetery	4,064,623	4,069,623	3,994,120	75,503
Community Development	2,174,440	2,174,440	2,173,104	1,336
Total Expenditures	43,116,028	43,116,028	42,637,957	478,071
Excess of Revenues Over Expenditures	4,408,141	4,408,141	7,450,869	3,042,728
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	-0-	-0-	1,000	1,000
Transfers Out	(4,268,426)	(4,268,426)	(6,804,615)	(2,536,189)
Total Other Financing Sources (Uses)	(4,268,426)	(4,268,426)	(6,803,615)	(2,535,189)
Net Change in Fund Balance	139,715	139,715	647,254	507,539
Beginning Fund Balance	5,503,886	5,503,886	5,503,886	-0-
Ending Fund Balance	\$ 5,643,601	\$ 5,643,601	\$ 6,151,140	\$ 507,539

The accompanying notes are an integral part of this statement.

# SANDY CITY

## Storm Water Fund

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Charges for Sales and Services	\$ 3,646,318	\$ 3,646,318	\$ 3,698,049	\$ 51,731
Contributions from Developers	132,544	132,544	131,630	(914)
Interest Income	20,000	20,000	6,687	(13,313)
Miscellaneous	-0-	-0-	73,556	73,556
Total Revenues	3,798,862	3,798,862	3,909,922	111,060
<b>Expenditures:</b>				
Salaries and Benefits	894,850	894,850	814,922	79,928
Materials and Supplies	163,900	163,900	191,483	(27,583)
Contracted Services	6,825	6,825	5,865	960
Internal Charges	1,039,997	1,039,997	579,279	460,718
Administrative Charges	71,732	71,732	71,732	-0-
Cost of Goods Sold	18,780	18,780	16,664	2,116
Capital Outlays	1,650,829	1,842,214	679,787	1,162,427
Total Expenditures	3,846,913	4,038,298	2,359,732	1,678,566
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,051)	(239,436)	1,550,190	1,789,626
<b>Other Financing Sources (Uses):</b>				
Other Income	10,199	10,199	-0-	(10,199)
Sale of Capital Assets	70,000	70,000	-0-	(70,000)
Transfers Out	(1,318,381)	(1,318,381)	(1,324,137)	(5,756)
Total Other Financing Sources (Uses)	(1,238,182)	(1,238,182)	(1,324,137)	(85,955)
Net Change in Fund Balance	(1,286,233)	(1,477,618)	226,053	1,703,671
Beginning Fund Balance	1,657,740	1,657,740	1,657,740	-0-
Ending Fund Balance	\$ 371,507	\$ 180,122	\$ 1,883,793	\$ 1,703,671

The accompanying notes are an integral part of this statement.

**SANDY CITY****Redevelopment Agency (RDA)****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Year Ended June 30, 2013**

	<b>Original and Final Budget Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
General Property Taxes	\$ 5,358,525	\$ 5,615,688	\$ 257,163
Transient Room Taxes	2,015,000	2,289,603	274,603
Interest Income	-0-	65,243	65,243
Miscellaneous	-0-	3,303	3,303
Total Revenues	<u>7,373,525</u>	<u>7,973,837</u>	<u>600,312</u>
<b>Expenditures:</b>			
Salaries and Benefits	216,714	218,931	(2,217)
Materials and Supplies	86,739	24,260	62,479
Contracted Services	945,967	782,120	163,847
Internal Charges	11,746	11,746	-0-
Administrative Charges	324,316	324,316	-0-
Interest Expense	-0-	76,754	(76,754)
Capital Outlays	<u>11,581,204</u>	<u>5,624,651</u>	<u>5,956,553</u>
Total Expenditures	<u>13,166,686</u>	<u>7,062,778</u>	<u>6,103,908</u>
Excess of Revenues Over Expenditures	<u>(5,793,161)</u>	<u>911,059</u>	<u>6,704,220</u>
<b>Other Financing Sources (Uses):</b>			
Sale of Capital Assets	977,886	1,164,475	186,589
Transfers Out	<u>(4,825,875)</u>	<u>(4,832,355)</u>	<u>(6,480)</u>
Total Other Financing Sources (Uses)	<u>(3,847,989)</u>	<u>(3,667,880)</u>	<u>180,109</u>
Net Change in Fund Balance	<u>(9,641,150)</u>	<u>(2,756,821)</u>	<u>6,884,329</u>
Beginning Fund Balance - As Restated [Note23]	<u>746,187</u>	<u>746,187</u>	<u>-0-</u>
Ending Fund Balance	<u>\$ (8,894,963)</u>	<u>\$ (2,010,634)</u>	<u>\$ 6,884,329</u>

The accompanying notes are an integral part of this statement.

**SANDY CITY**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<b>Business - Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Alta Canyon Sports Center</b>	<b>Water</b>	<b>Waste</b>	<b>Golf</b>	<b>TOTALS</b>	
<b><u>ASSETS</u></b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 189,075	\$ 10,732,204	\$ 1,572,974	\$ 162,592	\$ 12,656,845	\$ 4,125,161
Receivables - Net	356,181	3,434,876	585,706	12,584	4,389,347	379,975
Due from other Governments	-0-	510,275	-0-	-0-	510,275	-0-
Due From Other Funds	-0-	-0-	-0-	-0-	-0-	7,638,855
Prepaid Assets	-0-	-0-	-0-	-0-	-0-	14,043
Inventories	-0-	794,829	-0-	188,935	983,764	177,171
Total Current Assets	545,256	15,472,184	2,158,680	364,111	18,540,231	12,335,205
<b>Noncurrent Assets:</b>						
Investment in Joint Venture	-0-	-0-	6,066,755	-0-	6,066,755	-0-
<b>Capital Assets</b>						
Water Rights and Capacity	-0-	40,762,413	-0-	-0-	40,762,413	-0-
Land, Building, Plant, and Equipment	4,627,127	143,686,334	-0-	5,552,869	153,866,330	25,499,705
Accumulated Depreciation	(3,786,002)	(64,049,588)	-0-	(340,556)	(68,176,146)	(18,283,876)
Construction in Progress	-0-	2,992,820	-0-	-0-	2,992,820	-0-
Total Noncurrent Assets	841,125	123,391,979	6,066,755	5,212,313	135,512,172	7,215,829
Total Assets	1,386,381	138,864,163	8,225,435	5,576,424	154,052,403	19,551,034
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>						
Deferred Charges on Refunding	-0-	509,445	-0-	191,478	700,923	-0-
Total Deferred Outflows of Resources	-0-	509,445	-0-	191,478	700,923	-0-
<b><u>LIABILITIES</u></b>						
<b>Current Liabilities:</b>						
Accounts Payable	12,830	889,945	309,410	58,201	1,270,386	151,894
Salaries and Benefits Payable	30,760	73,264	2,145	14,670	120,839	186,926
Accrued Interest Payable	-0-	22,665	-0-	32,844	55,509	-0-
Claims and Judgements Payable	-0-	-0-	-0-	-0-	-0-	229,341
Unearned Revenue	77,353	30,445	-0-	-0-	107,798	-0-
Deposits	19,000	684,957	-0-	113,728	817,685	-0-
Bonds Payable	-0-	370,000	-0-	244,080	614,080	-0-
Other Payables	-0-	401,850	-0-	-0-	401,850	111,548
Total Current Liabilities	139,943	2,473,126	311,555	463,523	3,388,147	679,709
<b>Noncurrent Liabilities</b>						
Compensated Absences	-0-	-0-	-0-	-0-	-0-	1,669,813
Unamortized Bond Premium	-0-	287,426	-0-	175,257	462,683	-0-
Bonds Payable	-0-	4,990,000	-0-	2,579,678	7,569,678	-0-
Notes Payable	-0-	11,966,670	-0-	-0-	11,966,670	-0-
Total Noncurrent Liabilities:	-0-	17,244,096	-0-	2,754,935	19,536,348	1,669,813
Total Liabilities	139,943	19,717,222	311,555	3,218,458	23,387,178	2,349,522
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable Revenue - Property Taxes	360,922	-0-	-0-	-0-	360,922	399,793
Total Deferred Inflows of Resources	360,922	-0-	-0-	-0-	360,922	399,793
<b><u>NET POSITION</u></b>						
Net Investment in Capital Assets	841,125	106,065,309	-0-	2,388,555	109,294,989	7,215,829
Unrestricted (Deficit)	44,391	13,591,077	7,913,880	160,889	21,710,237	9,585,890
Total Net Position	\$ 885,516	\$ 119,656,386	\$ 7,913,880	\$ 2,549,444	131,005,226	\$ 16,801,719
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					619,876	
Net Position of business-type activities (page 35)					\$ 131,625,102	

The accompanying notes are an integral part of this statement.

# SANDY CITY

## Statement of Revenues, Expenses, and Changes in Fund Net Position

### Proprietary Funds

For the Year Ended June 30, 2013

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
<b>Operating Revenues:</b>						
Charges for Sales and Services	\$ 757,129	\$ 21,529,436	\$ 4,513,156	\$ 1,446,182	\$ 28,245,903	\$ 6,982,118
Fees from Developers	-0-	306,738	-0-	-0-	306,738	-0-
Miscellaneous	-0-	-0-	-0-	-0-	-0-	22,007
Total Operating Revenues	757,129	21,836,174	4,513,156	1,446,182	28,552,641	7,004,125
<b>Operating Expenses:</b>						
Salaries and Benefits	784,117	1,892,266	203,662	571,439	3,451,484	2,022,845
Materials and Supplies	159,152	593,817	58,186	217,694	1,028,849	66,870
Contracted Services	37,040	402,803	99,381	30,939	570,163	1,497,339
Internal Charges	33,746	536,782	64,130	90,561	725,219	28,636
Administrative Charges	74,505	871,033	341,111	46,821	1,333,470	756,281
Cost of Goods Sold	41,340	5,824,092	3,423,873	285,616	9,574,921	1,490,042
Non-Capital Improvements	7,327	4,230,387	17,443	9,692	4,264,849	549,845
Depreciation	52,780	4,836,684	-0-	46,910	4,936,374	1,753,677
Total Operating Expenses	1,190,007	19,187,864	4,207,786	1,299,672	25,885,329	8,165,535
Operating Income (Loss)	(432,878)	2,648,310	305,370	146,510	2,667,312	(1,161,410)
<b>Nonoperating Revenues (Expenses):</b>						
Property Taxes	401,300	-0-	-0-	-0-	401,300	400,828
Interest Income	447	71,021	9,057	979	81,504	54,057
Cell Tower Lease	39,279	140,352	-0-	-0-	179,631	-0-
Equity Earnings from Joint Venture	-0-	-0-	171,514	-0-	171,514	-0-
Other Income (Expense)	77	282,300	-0-	(2,800)	279,577	-0-
Gain (Loss) on Disposal of Asset	-0-	(1,491)	-0-	-0-	(1,491)	201,868
Bond Interest Expense	-0-	(822,853)	-0-	(123,752)	(946,605)	-0-
Total Nonoperating Revenues (Expenses):	441,103	(330,671)	180,571	(125,573)	165,430	656,753
Income (Loss) Before Capital Contributions and Transfers	8,225	2,317,639	485,941	20,937	2,832,742	(504,657)
Contributions from Developers	-0-	191,267	-0-	-0-	191,267	-0-
Transfers In	-0-	-0-	-0-	150,000	150,000	-0-
Total Contributions and Transfers	-0-	191,267	-0-	150,000	341,267	-0-
Change in Net Position	8,225	2,508,906	485,941	170,937	3,174,009	(504,657)
Beginning Net Position - As Restated [Note 23]	877,291	117,147,480	7,427,939	2,378,507		17,306,376
Ending Net Position	\$ 885,516	\$ 119,656,386	\$ 7,913,880	\$ 2,549,444		\$ 16,801,719
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(63,188)	
Change in net position of business-type activities (page 37)					\$ 3,110,821	

The accompanying notes are an integral part of this statement.



**SANDY CITY**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2013**

	<b>Business - Type Activities - Enterprise Funds</b>					<b>Governmental Activities - Internal Service Funds</b>
	<b>Alta Canyon Sports Center</b>	<b>Water</b>	<b>Waste</b>	<b>Golf</b>	<b>TOTALS</b>	
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 762,666	\$ 22,041,684	\$ 4,368,835	\$ 1,473,406	\$ 28,646,591	\$ 7,002,952
Payments to Suppliers	(360,281)	(12,694,542)	(3,973,044)	(673,231)	(17,701,098)	(4,672,419)
Payments to Employees	(783,535)	(1,877,037)	(205,900)	(571,139)	(3,437,611)	(1,789,779)
Net Cash Provided (Used) by Operating Activities	(381,150)	7,470,105	189,891	229,036	7,507,882	540,754
<b>Cash Flows from Noncapital Financing Activities:</b>						
Tax Receipts	400,906	-0-	-0-	-0-	400,906	401,489
Cash Received (Paid) on Interfund Loan	-0-	-0-	-0-	-0-	-0-	(7,638,855)
Transfers from Other Funds	-0-	-0-	-0-	150,000	150,000	-0-
Net Cash Provided (Used) by Noncapital Financing Activities	400,906	-0-	-0-	150,000	550,906	(7,237,366)
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition of Capital Assets	-0-	(6,924,692)	-0-	(51,000)	(6,975,692)	(1,922,017)
Capital Grants and Contributions	-0-	118,516	-0-	-0-	118,516	-0-
Principal Paid on Revenue Bonds	-0-	(715,700)	-0-	(210,000)	(925,700)	-0-
Interest Paid on Revenue Bonds	-0-	(809,980)	-0-	(117,071)	(927,051)	-0-
Proceeds from Cell Tower Leases	39,279	140,352	-0-	-0-	179,631	-0-
Proceeds from Sale of Capital Assets	-0-	28,426	-0-	-0-	28,426	121,869
Net Cash Provided (Used) by Capital and Related Financing Activities	39,279	(8,163,078)	-0-	(378,071)	(8,501,870)	(1,800,148)
<b>Cash Flows from Investing Activities:</b>						
Interest Received	447	71,021	9,057	979	81,504	54,057
Net Increase (Decrease) in Cash and Cash Equivalents	59,482	(621,952)	198,948	1,944	(361,578)	(8,442,703)
Cash and Cash Equivalents - Beginning of Year	129,593	11,354,156	1,374,026	160,648	13,018,423	12,567,864
Cash and Cash Equivalents - End of Year	\$ 189,075	\$ 10,732,204	\$ 1,572,974	\$ 162,592	\$ 12,656,845	\$ 4,125,161
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ (432,878)	\$ 2,648,310	\$ 305,370	\$ 146,510	\$ 2,667,312	\$ (1,161,410)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:</b>						
Depreciation	52,780	4,836,684	-0-	46,910	4,936,374	1,753,677
Increase (Decrease) Due to Changes in:						
Accounts Receivables	2,141	282,108	(144,321)	2,465	142,393	(1,173)
Inventories	-0-	(52,177)	-0-	(7,477)	(59,654)	(35,717)
Accounts Payable	(7,171)	(183,451)	31,080	15,569	(143,973)	(247,689)
Salaries and Benefits Payable	582	15,229	(2,238)	300	13,873	233,066
Deferred Revenue	3,396	3,355	-0-	-0-	6,751	-0-
Customer Deposits	-0-	(79,953)	-0-	24,759	(55,194)	-0-
Net Cash Provided (Used) by Operating Activities	\$ (381,150)	\$ 7,470,105	\$ 189,891	\$ 229,036	\$ 7,507,882	\$ 540,754
<b>Noncash Investing, Capital, and Financing Activities:</b>						
Contributions of Capital Assets From Developers	-0-	191,267	-0-	-0-	191,267	-0-
Investments in Joint Venture	-0-	-0-	171,514	-0-	171,514	-0-

The accompanying notes are an integral part of this statement.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The City operates under the council-mayor optional form of government. The City Council, comprising seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

As required by Accounting Principles Generally Accepted in the United States of America (GAAP), these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Therefore, data from these units are combined with data of the primary government. Each blended unit has a June 30 year end.

**Blended Component Units**

The Sandy Redevelopment Agency (RDA) was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the RDA. Therefore, the RDA is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. The RDA is reported as a major governmental fund.

The Alta Canyon Recreation Special Service District (the District) was legally created as authorized by the Utah Special Service District Act. The District is within the boundaries of the City and services the northeast quadrant. The District's Advisory Board comprises seven elected individuals. The Advisory Board establishes District policy, appoints the District officials, advises the City with respect to collection and disbursement of funds, and is responsible for funding deficits. The District also has the following powers: to sue and be sued, eminent domain, to enter into contracts, and to acquire and construct facilities. Of equal importance, no tax may be levied and no bonds will be issued unless authorized by a majority of the qualified voters of the District.

The City Council approves the District's budget, property tax rate, issuance of long-term debt, and can, at its discretion, dissolve the District. The District provides services which almost exclusively benefit the City. As of January 1, 2003, the District requested the City to take over the management of its daily operations. The District is reported as a blended component unit (the Alta Canyon Sports Center Fund) in the enterprise funds section of the financial statements.

**Investment in Joint Venture**

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities. The purpose of this joint venture is to provide solid waste management and disposal services. Investment in this joint venture is accounted for using the equity method (see note 9 on page 61).

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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**Related Organizations**

The City also has activities with Metropolitan Water District of Salt Lake and Sandy (MWDSL). City Officials appoint members to the board of directors, but the City's accountability does not extend beyond making the appointments.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, interfund activity has been eliminated from these statements. Governmental activities, which are largely supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are supported to a significant extent by charges for services.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include i) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the governmental funds, proprietary funds, and internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the basic financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All governmental fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All governmental fund financial statements are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally 60

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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days. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when fund liabilities are incurred.

The enterprise and internal service fund financial statements are reported using the accrual basis of accounting. These funds are accounted for on a cost of services or "economic resources" measurement focus. This means all assets and liabilities associated with their activity are included on their balance sheets. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Description of Funds**

The City reports the following major governmental funds:

The **general fund** is the primary operating fund and accounts for the normal activities of the City (police, fire, public works, parks, community development, general government, *etc.*). These activities are funded principally by property taxes, sales and use taxes, franchise taxes, licenses, and permits.

The **storm water fund** accounts for the City's revenues and capital expenditures associated with drainage for storm water runoff. The revenue source for storm water is payments from citizens on their monthly bill.

The **debt service fund** is used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment.

The **capital projects fund** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by proprietary funds. Capital projects funds allow the City to compile project cost data and demonstrate legal or contractual requirements regarding the use of the resources are fully satisfied. The principal source of funding is contributions from developers restricted for capital construction, transfers from the general fund, grants, and bonding.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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The **RDA fund** accounts for the City's revenues and expenditures associated with promoting new capital investment and job creation within the City. The revenue source for RDA is yearly tax increment.

The City reports the following major proprietary funds:

The **Alta Canyon Sports Center fund** accounts for the activities created by the Alta Canyon Recreation Special Service District. The main activity is a recreation center located within the District.

The **water fund** is used to account for the operations of the City's water utility.

The **waste fund** accounts for waste collection services provided by an independent contractor.

The **golf fund** is used to account for the City's golf course.

Additionally, the City reports the following fund type:

**Internal service funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The internal service funds include the fleet fund, the information services fund, the risk management fund, the equipment management fund, and the payroll management fund.

**Fund Balance Classifications**

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports nonspendable balances, followed by restricted, committed, assigned, and unassigned. Fund balance classifications are summarized as follows:

**Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Fund balance amounts related to prepaid expenditures and inventories are classified as nonspendable.

**Restricted** fund balance includes net fund resources that are subject to external constraints that have been placed on the use of the resources. External constraints can be imposed by creditors (such as through a debt covenant), grantors, contributors, laws or regulations of other governments, or law through constitutional provisions or enabling legislation. Restricted fund balances include storm water, bond proceeds restricted for construction, impact fees, Class "C" road funds, Redevelopment Agency (RDA), and liquor allotment.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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**Committed** fund balance includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by a resolution approved by the City Council, the highest level of decision-making authority. Committed fund balance includes capital projects and debt service not classified above.

**Assigned** fund balance classification includes amounts that are constrained by the government's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Finance Director. Also included are all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted or committed or in the general fund, that are intended to be used for specific purposes. The City currently has no assigned fund balance.

**Unassigned** fund balance includes fund balance in the general fund that isn't otherwise classified.

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City does not have a minimum fund balance policy. *Utah Code* 10-6-116(4) requires a minimum fund balance of 5 percent of total revenues be maintained in the general fund.

### **Budget Operation**

The City operates within the budget requirements as specified by Utah state law. The budget reflects the following standards:

1. For the fiscal year beginning July 1, the budget officer prepares a tentative budget which is presented to the City Council on or before the first regularly scheduled meeting in May.
2. By resolution, the City Council legally adopts the final budget on or before June 22, after appropriate public hearings have been held. However, if there is a change to the certified tax rate, the final budget can be adopted as late as August 17.
3. Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but increased appropriations require a public hearing prior to amending the budget. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.
4. Interim adjustments in estimated revenue and departmental appropriations during the fiscal year 2013 have been included in the final budget approved by the City Council, as presented in the financial statements. These amendments were not material in relation to the original appropriations.
5. As determined by Utah state law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund.

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6. Budgets for the general, special revenue, debt service (general purposes debt service only), and capital projects funds are adopted on a basis consistent with GAAP. Special assessment funds are grouped with debt service funds. Operating and capital budgets are required by Utah state law for proprietary fund types, although such budgets are not required to be presented in the financial statements. In addition, budgets for special assessment funds are not required by Utah state law.
7. All unexpended appropriations lapse at the end of the budget year. However, unexpended capital projects fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

**Encumbrances**

Encumbrance accounting is not employed by the City.

**Cash, Cash Equivalents, and Investments**

The City's policy is to report all investments at fair value and the change in fair value is included in revenues or expenses. The City's investment in the State Treasurer's Pool has a fair value equivalent to the value of the pool shares. In all statements, the City considers cash on hand, demand deposits, and highly liquid short-term investments as cash and cash equivalents.

**Inventory**

Inventories are stated at the lower of cost, determined on the first-in first-out basis, or market.

**Prepaid Items**

Prepaid items are accounted for using the consumption method in the governmental funds.

**Deferred Outflows/Inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense or expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City only has two types of items that qualify for reporting in this category. Unavailable revenue is reported in both the governmental funds and proprietary funds balance sheets. The unavailable revenues result from property taxes and are deferred and recognized as an inflow of resources in the following fiscal year to correspond with

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the period in which the taxes are levied. Deferred interest payable on refunding results from the issuance of Sales Tax Revenue and Refunding Bonds, Series 2013.

**Interfund Transactions**

In the normal course of operations, the City has transactions between funds. Various City funds provide a number of services such as administrative, fleet operations, information services, insurance and risk management, *etc.* to other City funds. Charges are treated as revenues in the fund providing the service and as operating expenses in the fund receiving the service. Non-recurring and non-routine transfers are accounted for as changes in fund balance. Other transfers are recognized as transfers in and out, respectively, by the funds involved. Short-term payables are shown as due to/from other funds. Long-term payables are shown as advances to/from other funds.

**Water Rights**

Water stock, rights, and capacity are stated at cost.

**Capital Assets**

Capital assets, which include water rights and capacity, land, buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure assets (*e.g.*, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$7,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Depreciation on buildings and systems, improvements other than buildings, vehicles, machinery and equipment, and infrastructure (other than the roadway system) is computed using the straight-line method over the following estimated useful lives:

<b>Asset Description</b>	<b>Useful Life Years</b>	<b>Asset Description</b>	<b>Useful Life Years</b>
Wells	25	Vehicles	5-15
Water Tanks	25	Office Furniture and Equipment	5-10
Distribution Mains	33	Street Lights and Traffic Signals	30-50
Buildings and Structures	20-40	Storm Water Improvements	40
Pumps	8	Swimming Pools	30
Machinery and Equipment	5-10	Infrastructure	25

**Modified Approach**

The City has elected to follow the modified approach to account for infrastructure. The City has made a commitment to preserve and maintain the roadway system of infrastructure assets at a condition level determined by the City. The Public Works department is responsible for determining the appropriate condition level at which the roadway system is to be maintained. Amounts capitalized in connection with improvements that lengthen the



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life of the roadway system are not reported unless the improvements also increase its service potential. There is also no depreciation expense for the roadway system. The City maintains an inventory of the roadway system and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Annual estimates are made by the City for expenses to preserve and maintain the roadway system at the predetermined condition levels.

**Contributions**

Certain proprietary funds receive contributions for aid in construction from various sources reflected as non-operating revenue.

**Utility Revenue**

Revenue in the water, storm water, waste, and electric utility funds is recorded when billed. At year end, each fund records, as unbilled receivables and revenue, an amount which approximates revenue from the last meter reading or billing date at fiscal year end.

**Note 2 - Reconciliation of Government-Wide and Fund Financial Statements**

**Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balance for total governmental funds and net position for governmental activities as reported in the government-wide statement of Net Position. One element of that reconciliation explains that some of the City's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and are therefore reported as receivables. The \$711,976 in receivables consists of \$412,071 of delinquent property taxes and \$299,905 of justice court receivables.

**Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The \$7,217,490 difference consists of \$11,673,194 of net capital additions less \$4,455,704 depreciation expense.

Another element of that reconciliation states that "the issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net

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position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The \$4,758,002 represents \$4,306,000 in principal payments and \$1,209 in bond premium less \$453,211 in loss on defeasance of debt.

**Note 3 - Property Taxes**

The property tax revenue of Sandy City is collected and distributed by the Salt Lake County Treasurer as an agent for the City. Utah state laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By March 1, the City notifies the County Commission to establish a proposed date, time, and place for a tax rate adoption hearing.
2. By March 31, the County Treasurer settles property taxes charged and collected for the previous year.
3. By June 8, the County Auditor sends valuation, certified tax rate, and levy worksheet forms to the City.
4. Before June 22, the City adopts a proposed tax rate and certifies the tax rate with the County Auditor.
5. Before July 22 (if the City adopts a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
6. By August 17, the City adopts the final tax rate and certifies the tax rate with the County Auditor.
7. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
8. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
9. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2013. Most of the tax will not be received until the following fiscal year.

**Note 4 - Cash and Cash Equivalents**

Detailed cash and cash equivalent accounting records are maintained for each individual fund. However, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for deposit and investment purposes.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds

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in a “qualified depository.” The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds. The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s deposits are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC), with the exception of the Gold International Sweep Account held with Zions Bank. The amount in this account as of June 30, 2013, was \$2,110,610. Deposits above \$250,000 per bank are exposed to credit risk. Of the City’s bank balance deposit carrying value of \$159,319, all was insured. The City has no formal policy regarding deposit credit risk.

A summary of restricted and unrestricted cash, cash equivalents, and investments at June 30, 2013 is as follows:

	<b>Cash, Cash Equivalents, and Investments</b>
Unrestricted	\$ 42,184,312
Restricted	4,998,800
<b>Total</b>	<b>\$ 47,183,112</b>
Deposits	\$ 159,319
Investments	47,023,793
<b>Total</b>	<b>\$ 47,183,112</b>

**Note 5 - Investments**

The City’s investments are governed by state statutes. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories; (2) repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City’s safekeeping bank or are conducted with a qualified depository; (3) commercial paper that is classified as “first

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tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Service or Standard & Poor’s; (4) bankers’ acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less; (5) negotiable interest bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farm Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association; (8) the Utah State Treasurer’s Investment Fund; and (9) fixed and variable rate corporate obligations that meet criteria under the Utah Money Management Act.

The City invests in the Public Treasurer’s Investment Fund (PTIF) which is an external investment pool administered by the Utah State Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant’s balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees which is allocated to each participant on the ratio of each participant’s share to the total funds. The participant’s monthly investment amount is based upon their average daily balance.

Twice a year, at June 30 and December 31, the investments are valued at fair value and participants are informed of the valuation factor that enables them to adjust their statement balances to fair value. As of June 30, 2013, the City’s fair value investments in the PTIF was \$172,025 more than the amortized cost of \$34,256,323. The City’s investments have been adjusted to show this increase in value. As of June 30, 2013, the City’s \$34,428,348 investment in the PTIF had an average adjusted maturity of less than one year.

The City also invests in the Zions Liquid Asset Management (LAM) fund. The LAM fund invests in money market funds and short and intermediate-term fixed income securities (including taxable, tax-exempt or tax advantaged). The LAM fund meets the requirements of the Utah Money Management Act.

For the year ended June 30, 2013, the City’s fair value investments in the LAM were \$11,037 less than the amortized cost of \$10,287,758. The City’s LAM investment has been adjusted to show this decrease in value. As of June 30, 2013, the City’s \$10,276,721 investment in the LAM fund had an average adjusted maturity of less than one year.

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**Credit Risk**

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Utah Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances. The PTIF and LAM funds are not rated.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Utah Money Management Act. The Act requires the remaining term to maturity of investments not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years

As of June 30, 2013, the City had no investments requiring risk disclosure.

**Note 6 - Restricted Assets**

General fund activity in unexpended state road funds, during fiscal year 2013, that are required by Utah state law to be restricted for road construction and maintenance, are summarized as follows:

State Road Allotment	\$ 2,881,091
Expenditures: Highway Maintenance	<u>(2,881,091)</u>
Unexpended State Road Allotment	<u><u>\$ -0-</u></u>

**Debt Service Fund**

Pursuant to the 2007B Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, the City is required to have a debt service reserve of \$800,000. As of June 30, 2013, the City was in compliance with funding requirements.

Pursuant to the 2008 Community Development Tax Increment and Revenue Bonds (9400 South CDA) agreement, the City is required to have a debt service reserve of \$863,836. As of June 30, 2013, the City was in compliance with funding requirements.

**Governmental Funds**

Restricted assets represent unexpended receipts which are restricted for use on future projects, and in the case of the general fund, services paid for but not yet received. The changes in restricted balances during fiscal year 2013 are summarized as follows:

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	<b>General Fund</b>	<b>Road Funds</b>	<b>Capital Projects Fund</b>	<b>Debt Service Funds</b>
Balance - July 1, 2012	\$ 45,007	\$ 565,247	\$ 2,128,214	\$ 1,936,036
Additions:				
Fees, Bond Proceeds, and Transfers In	-0-	897,172	2,806,640	-0-
Prepaid Assets		-0-	-0-	-0-
Interest Earnings	-0-	-0-	-0-	-0-
Reductions: Expenditures and Transfers Out	(14,277)	(565,246)	(2,497,063)	(272,200)
Balance - June 30, 2013	\$ 30,730	\$ 897,173	\$ 2,437,791	\$ 1,663,836

**Business-Type Funds**

There are no restricted assets in the business-type funds.

**Note 7 - Receivables**

The \$14,137,597 in governmental activities receivables found in the Statement of Net Position consists of \$13,368,904 in taxes, \$683,619 in billing receivables, and \$85,074 in other receivables.

The \$4,389,347 in business-type activities receivables are comprised of \$3,936,504 in billing receivables, \$356,181 in taxes receivable, and \$96,662 in other receivables. The City expects to collect all of these net receivables during fiscal year 2014.

The water fund has \$1,172,000 in receivables that are not recorded as revenue or a receivable in the financial statements due to a high likelihood of being uncollectible. This arises from a lease agreement between the water fund and the Jordanelle Special Improvement District (JSID) for water from the Ontario Drain Tunnel. The City is actively pursuing collection and revenue will be recorded when payment is received from JSID.

**Note 8 - Due From/To Other Funds**

Short term interfund loans at June 30, 2013 are summarized as follows:

	<b>Due From:</b>		<b>Total Due To</b>
	<i>Governmental Funds:</i>		
<b>Due To:</b>	<u>RDA</u>	<u>CDBG</u>	
<i>Governmental Funds:</i>			
Capital Projects	\$ 1,665,524	\$ 17,910	\$ 1,683,434
<i>Internal Services Funds:</i>			
Fleet	2,500,000	-0-	2,500,000
Risk Management	2,500,000	-0-	2,500,000
Payroll Management	2,638,855	-0-	2,638,855
Total Due From	<u>\$ 9,304,379</u>	<u>\$ 17,910</u>	<u>9,322,289</u>

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The interfund loan from Capital Projects to the CDBG fund is for expenses incurred in that fund that will be reimbursed by federal Community Development Block Grant funds the following year. Capital projects, fleet, risk management, and payroll management provided an interfund loan to RDA for the purchase of property with the intent to sell the property and pay the interfund loan off with the proceeds.

**Note 9 - Joint Venture**

The City has a 30.24 percent ownership in Trans-Jordan Cities (the Association). The Association was organized in 1968 as a joint enterprise fund of the cities of Midvale, West Jordan, Murray, and Sandy. In 1997 the Association was joined by the City of South Jordan, and the Cities of Draper and Riverton joined in 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site situated east of Bingham Canyon in Salt Lake County. The percentage interest in operations for each of the entities is as follows:

Sandy City	30.24%
West Jordan City	23.03
South Jordan City	13.04
Riverton City	10.14
Draper City	9.88
Murray City	8.49
Midvale City	5.18

The Association is governed by its own Board of Directors. Under the Organization Agreement, the board is composed of the Mayors, or their appointed representatives, of the seven participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

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The following is a summary of audited financial information of the Association for the fiscal year ended June 30, 2013:

**Assets:**

Current Assets	\$ 14,459,619
Capital Assets - Net	5,804,443
Non Current Assets	<u>4,722,781</u>
Total Assets	<u>24,986,843</u>

**Liabilities:**

Current Liabilities	383,029
Noncurrent Liabilities	<u>4,541,795</u>
Total Liabilities	<u>4,924,824</u>

**Net Position:**

Invested in Capital Assets, Net of Related Debt	5,804,443
Restricted	4,722,781
Unrestricted	<u>9,534,795</u>
Total Net Position	<u>\$ 20,062,019</u>

**Income Statement:**

Operating Revenue	\$ 5,978,939
Operating Expenses	<u>6,074,844</u>
Operating Loss	(95,905)
Non-Operating Income	624,323
Capital Contributions	<u>-0-</u>
Change in Net Position	<u>\$ 528,418</u>

The City paid \$644,537 to the Association for landfill costs during fiscal year 2013. Complete financial statements for the Association may be obtained at the following address:

Trans-Jordan City Landfill  
PO Box 95610  
South Jordan, Utah 84095-0610



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**Note 10 - Capital Assets**

The following tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2013:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Government Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 221,468,330	\$ 8,830,228	\$ 1,048,482	\$ 229,250,076
Infrastructure	129,559,377	2,202,868	-0-	131,762,245
Construction in Progress	2,873,364	566,094	2,860,961	578,497
Total Capital Assets, Not Being Depreciated	353,901,071	11,599,190	3,909,443	361,590,818
Capital Assets, Being Depreciated:				
Buildings and Improvements	79,034,405	1,771,335	114,404	80,691,336
Machinery, Equipment and Vehicles	27,079,984	2,301,573	870,171	28,511,386
Street Lights	10,407,352	571,341	-0-	10,978,693
Storm Water	46,311,995	1,466,773	2,870	47,775,898
Total Capital Assets being depreciated	162,833,736	6,111,022	987,445	167,957,313
Less Accumulated Depreciation:				
Buildings and Improvements	25,979,533	2,767,708	3,973	28,743,268
Machinery, Equipment, and Vehicles	19,416,039	1,920,516	857,793	20,478,762
Street Lights	4,137,283	356,153	-0-	4,493,436
Storm Water	13,653,152	1,165,003	108	14,818,047
Total Accumulated Depreciation	63,186,007	6,209,380	861,874	68,533,513
Total Capital Assets, Being Depreciated, Net	99,647,729	(98,358)	125,571	99,423,800
Governmental Activities Capital Assets, Net	\$ 453,548,800	\$ 11,500,832	\$ 4,035,014	\$ 461,014,618

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets, Not Being Depreciated:				
Water Rights and Capacity	\$ 40,703,501	\$ 58,912	\$ -0-	\$ 40,762,413
Land	6,768,734	348,965	-0-	7,117,699
Construction in Progress	2,055,246	2,794,070	1,856,496	2,992,820
Total Capital Assets, Not Being Depreciated	49,527,481	3,201,947	1,856,496	50,872,932
Capital Assets, Being Depreciated:				
Buildings and Improvements	16,573,648	2,093,582	-0-	18,667,230
Main Lines	83,438,691	3,265,590	4,603	86,699,678
Wells	16,489,519	255,144	-0-	16,744,663
Storage Tanks	18,263,723	5,478	-0-	18,269,201
Pump Equipment	2,967,253	-0-	-0-	2,967,253
Swimming Pools	605,364	-0-	-0-	605,364
Machinery, Equipment, and Vehicles	2,638,926	206,317	50,000	2,795,243
Total Capital Assets being depreciated	140,977,124	5,826,111	54,603	146,748,632
Less Accumulated Depreciation:				
Buildings and Improvements	5,383,747	447,118	-0-	5,830,865
Main Lines	38,876,708	3,011,306	69	41,887,945
Wells	6,486,411	596,427	-0-	7,082,838
Storage Tanks	7,987,678	593,354	-0-	8,581,032
Pump Equipment	2,724,439	53,942	-0-	2,778,381
Swimming Pools	544,372	20,178	-0-	564,550
Machinery, Equipment, and Vehicles	1,256,503	214,048	20,014	1,450,537
Total Accumulated Depreciation	63,259,858	4,936,373	20,083	68,176,148
Total Capital Assets, Being Depreciated, Net	77,717,266	889,738	34,520	78,572,484
Business-Type Activities Capital Assets, Net	\$ 127,244,747	\$ 4,091,685	\$ 1,891,016	\$ 129,445,416

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Depreciation expense for the year ended June 30, 2013, for governmental and business-type activities is shown in the following table:

**Governmental Activities:**

General Government	\$ 404,174
Police and Animal Control	209,282
Fire	240,934
Public Works	487,956
Parks, Landscapes and Cemetery	1,199,798
Community Development	54,176
Economic Development	15,778
Recreation and Cultural Events	277,508
Electric Utility	371,506
Storm Water Utility	1,194,592
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,753,676</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 6,209,380</u></u>

**Business-Type Activities**

Alta Canyon Sports Center	\$ 52,780
Water	4,836,683
Golf Course	<u>46,910</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 4,936,373</u></u>

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**Investment in Water Stock, Rights, and Capacity**

The water fund had the following investments in water stock, rights, and capacity at June 30, 2013:

Water Stock:	<u>Shares</u>	<u>Cost</u>
Bell Canyon Irrigation Company	2,045	\$ 642,172
Cahoon and Maxfield Irrigation Company	50	1,856
Draper Irrigation Company	125	131,255
East Jordan Irrigation Company	179	394,680
Granite Water Company	271	361,399
Last Chance Ditch Company	522	31,437
Little Cottonwood Water Company	11,358	113,580
Nickle Irrigation Company	1,084	196,161
Sandy Canal Company	275	182,563
Sandy Irrigation Company	1,969	1,040,016
Tanner Ditch Company	6	611
Union East Jordan Irrigation Company	947	52,169
Walker Ditch	7	272
Welby Jacob Water Users Company	9	9,050
Provo Reservoir Water Users Company	57	893,351
Provo Bench Canal and Irrigation Company	1	28,010
North Jordan Irrigation Company	84	<u>199,500</u>
Total Water Stock		4,278,082
Water Rights - Thompson and Lym Ditches		38,581
Water Rights and Capacity		<u>36,445,750</u>
Total Water Stock, Rights and Capacity		<u><u>\$40,762,413</u></u>

**SANDY CITY**  
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**Note 11 - Long-Term Liabilities**

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. All other long-term obligations of the City are accounted for in the governmental activities of the government-wide statements. The following table summarizes changes in long-term obligations for the year ended June 30, 2013:

	Rate (%)	Amount of Original Issue (bonds only)	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013	Due Within One Year
<b>Governmental Activities</b>							
<b>Revenue Bonds</b>							
2003 Sales Tax Revenue	1.75 to 4.60	\$ 7,225,000	\$ 375,000	\$ -0-	\$ 185,000	\$ 190,000	\$ 190,000
2004 Sales Tax Revenue	3.00 to 5.00	16,520,000	8,410,000	-0-	7,340,000	1,070,000	1,070,000
2007 Motor Fuel Excise Tax	4.00 to 5.00	6,360,000	4,450,000	-0-	825,000	3,625,000	850,000
2007 Transient Room Tax	4.88	35,000,000	32,585,000	-0-	865,000	31,720,000	985,000
2009 Sales Tax Revenue	1.35 to 6.18	7,140,000	6,580,000	-0-	285,000	6,295,000	290,000
2010 Sales Tax Refunding	2.00 to 5.00	4,246,242	4,246,242	-0-	685,000	3,561,242	830,920
2012 Sales Tax Refunding	2.00 to 4.00	3,920,000	3,920,000	-0-	-0-	3,920,000	-0-
2013 Sales Tax Refunding	.70 to 1.86	6,780,000	-0-	6,780,000	-0-	6,780,000	150,000
<b>Special Assessment Bonds</b>							
2002 Auto Mall Refunding	2.73 to 4.83	1,960,000	250,000	-0-	250,000	-0-	-0-
2002B South Towne Ridge Road	2.80 to 4.80	762,000	91,000	-0-	91,000	-0-	-0-
<b>Tax Increment Bonds</b>							
2008 Tax Increment Bond	4.84	11,040,000	10,355,000	-0-	370,000	9,985,000	390,000
<b>Notes Payable</b>							
HUD Section 108 Loan	2.62 to 4.62	2,515,000	835,000	-0-	190,000	645,000	200,000
<b>Long-Term Compensated Absences</b>							
		-0-	1,123,699	73,757	41,692	1,155,764	-0-
<b>Internal Service Fund Debt</b>							
Compensated Absences		-0-	1,701,871	108,279	28,790	1,781,360	111,548
Total Governmental Long-Term Obligations		103,468,242	74,922,812	6,962,036	11,156,482	70,728,366	5,067,468
<b>Business-Type Activities</b>							
<b>Revenue Bonds</b>							
2002B Sales Tax Revenue (Golf)	3.00 to 5.00	4,550,000	210,000	-0-	210,000	-0-	-0-
2004 Water Revenue and Refunding	2.50 to 5.00	9,965,000	1,365,000	-0-	320,000	1,045,000	330,000
2010 Sales Tax Refunding (Golf)	2.00 to 5.00	2,823,758	2,823,758	-0-	-0-	2,823,758	244,080
2012 Water Refunding	2.00 to 4.00	4,330,000	4,330,000	-0-	15,000	4,315,000	40,000
<b>Long-Term Contract Payable</b>							
		13,832,100	12,749,220	-0-	380,700	12,368,520	401,850
Total Business-Type Long-Term Obligations		35,500,858	21,477,978	-0-	925,700	20,552,278	1,015,930
<b>Total Government Wide Long-Term Obligations</b>		<b>\$ 138,969,100</b>	<b>\$ 96,400,790</b>	<b>\$ 6,962,036</b>	<b>\$ 12,082,182</b>	<b>\$ 91,280,644</b>	<b>\$ 6,083,398</b>

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The annual debt requirements to maturity, including principal and interest, as of June 30, 2013 are listed in the following table:

Year Ending June 30	Governmental Activities					
	Revenue Bonds		Tax Increment Bond		Notes & Other Payables	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 4,365,920	\$ 2,377,422	\$ 390,000	\$ 473,836	\$ 200,000	\$ 22,860
2015	4,419,287	2,214,555	405,000	454,597	215,000	14,410
2016	4,905,565	2,073,541	425,000	434,511	230,000	4,980
2017	5,265,471	1,897,052	450,000	413,336	-0-	-0-
2018	3,475,000	1,715,060	470,000	391,072	-0-	-0-
2019-2023	16,445,000	6,465,456	7,845,000	189,849	-0-	-0-
2024-2028	17,335,000	2,463,145	-0-	-0-	-0-	-0-
2029-2033	950,000	59,328	-0-	-0-	-0-	-0-
Subtotal	57,161,243	\$ 19,265,559	9,985,000	\$ 2,357,201	645,000	\$ 42,250
Less: Unamortized (Premiums), Discounts and Deferred Charges	257,319		-0-		-0-	
<b>Net Debt</b>	<b>\$ 56,903,924</b>		<b>\$ 9,985,000</b>		<b>\$ 645,000</b>	

Year Ending June 30	Governmental Activities (Continued)		Business-Type Activities	
	Totals		Bonds & Other Payables	
	Principal	Interest	Principal	Interest
2014	\$ 4,955,920	\$ 2,874,118	\$ 1,015,930	\$ 866,917
2015	5,039,287	2,683,562	1,065,633	823,920
2016	5,560,565	2,513,032	1,118,965	780,936
2017	5,715,471	2,310,388	1,164,439	736,161
2018	3,945,000	2,106,132	1,225,290	689,652
2019-2023	24,290,000	6,655,305	6,929,060	2,646,884
2024-2028	17,335,000	2,463,145	5,021,200	1,286,444
2029-2033	950,000	59,328	3,011,761	277,294
Subtotal	67,791,243	\$ 21,665,010	20,552,278	\$ 8,108,208
Less: Unamortized (Premiums), Discounts and Deferred Charges	257,319		238,240	
<b>Net Debt</b>	<b>\$ 67,533,924</b>		<b>\$ 20,314,038</b>	

**Special Improvement Bonds with Governmental Commitment**

Principal and interest on special improvement bonds are paid, in whole or in part, from pledged special assessment collections. The primary source of repayment of the special assessment debt is assessments against the benefitted property owners. This debt is secured by liens on assessed property and is also backed by the full faith and credit of the City as additional security.

A separate fund, the Special Improvement Debt Service Fund, has been established to contain the receipts derived by the City from the special assessments levied upon the property included in the special improvement districts together with interest on the assessments and, if necessary, additional funds transferred by the City to

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the debt service fund. Under the terms of the special improvement bond resolutions and state law, the City has agreed to maintain a special improvement guarantee account for the benefit of the bondholders.

On September 1, 2002, the City issued \$1,960,000 in Special Assessment Refunding Bonds (Auto Mall) at rates from 2.73 to 4.83 percent with a final maturity date of September 1, 2012. This bond replaced the 1993 Special Assessment Bonds. The Special Improvement District No. 90-1 (Auto Mall) was originally established by the City for the purpose of making improvements within the District. Assessments have been levied against the property included within the District to finance the cost of the improvements, all in conformance with and subject to the requirements of the Improvement District Act. The final principal and interest payments were made on September 1, 2012 in the amount of \$262,075.

On December 19, 2002, the City issued \$762,000 in Special Assessment Bonds at rates from 2.80 to 4.80 percent with a final maturity date of December 15, 2012. The Special Improvement District No. 2000-1 (South Towne Ridge Road) was established by the City to acquire land and rights of way, to construct roads, and to install water, sewer, and storm drain improvements. The final principal and interest payment was made on December 15, 2012 in the amount of \$95,368.

**Motor Fuel Bonds**

On November 9, 2007, the City issued \$6,360,000 in Motor Fuel Excise Tax Revenue Bonds (Series 2007) at rates from 4.00 to 5.00 percent with a final maturity date of January 15, 2017. The bonds were issued to i) finance the acquisition, construction, and improvements of roads and related improvements, and ii) pay the closing costs of issuing the Series 2007 bonds. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds. The remaining principal and interest payments total \$4,080,250. The Series 2007 bonds are not callable for redemption prior to maturity.

For the current year, principal and interest paid and total motor fuel excise tax revenues were \$1,030,750 and \$2,881,091, respectively. It is estimated that annual principal and interest payments on the bonds will require approximately 37 percent of motor fuel excise tax revenues.

**Water Bonds**

On April 22, 2004, the Water Utility issued \$9,965,000 in Water Revenue and Refunding Bonds (Series 2004) at rates from 2.50 to 5.00 percent with a final maturity date of November 15, 2025. The bonds were issued for the purpose of i) refunding all of the City's outstanding Water Revenue and Refunding Bonds, Series 1993A, ii) financing costs of certain improvements to the City's water system, and iii) paying costs of issuance of the Series 2004 bonds. The bonds are payable solely by a pledge and assignment of water system revenues, after payment of operation and maintenance expenses. The total principal and interest remaining to be paid on the bonds is \$1,113,303. The regular scheduled principal and interest paid for the current year and net available revenues were \$372,521 and \$11,715,381, respectively. It is estimated that annual principal and interest payments are expected to require approximately 3 percent of net revenues. The bonds maturing on or before November 15, 2014, are not subject to optional redemption prior to maturity. Bonds maturing on or after November 15, 2015, are subject to redemption at the option of the City on November 15, 2014, and on any date thereafter prior to maturity. The redemption price will be equal to 100 percent of the principal amount of the bonds

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to be redeemed, plus accrued interest thereon to the date fixed for redemption. \$4,110,000 in principal was advance refunded during fiscal year 2012 with the Series 2012 Water Revenue Refunding Bonds.

The bond resolution approved in conjunction with the issuance of the Series 2004 bonds provides, among other things, that certain funds be established and certain accounting procedures be followed. Under the terms of the resolution, the City will establish and collect rates and charges (including impact fees and connection fees) which are reasonably expected to produce net revenues equal to 110 percent of the aggregate annual debt service requirement for each year.

On March 22, 2012, the Water Utility issued \$4,330,000 in Water Revenue Refunding Bonds (Series 2012) at rates from 2.00 to 4.00 percent with a final maturity date of November 15, 2024. The bonds were issued for the purpose of i) refunding certain of its outstanding 2004 Water Revenue Bonds, and ii) paying the cost of issuance of the Series 2012 bonds. The bonds are payable solely by a pledge and assignment of water system revenues, after payment of operation and maintenance expenses. The total principal and interest remaining to be paid on the bonds is \$5,416,550. Please see "Defeasance of Debt" on page 73 for more information. The bonds maturing on or before November 15, 2021, are not subject to optional redemption prior to maturity. Bonds maturing on or after November 15, 2022, are subject to redemption at the option of the City on November 15, 2021, and on any date thereafter prior to maturity. The redemption price will be equal to 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The bond resolution approved in conjunction with the issuance of the Series 2012 bonds provides, among other things, that certain funds be established and certain accounting procedures be followed. Under the terms of the resolution, the City will establish and collect rates and charges (including impact fees and connection fees) which are reasonably expected to produce net revenues equal to 110 percent of the aggregate annual debt service requirement for such year.

Principal and interest paid for the current year and net available revenues were \$170,299 and \$11,715,381, respectively. It is estimated that annual principal and interest payments are expected to require approximately 1 percent of net revenues.

**Sales Tax Revenue Bonds**

Sales Tax Revenue Bonds are special limited obligations of the City backed by the sales and use taxes levied by the City under the Local Sales and Use Tax Act.

On July 1, 2002, the City issued \$4,550,000 in Sales Tax Revenue Bonds (Series 2002B) at rates from 3.00 to 5.00 percent with a final maturity date of September 15, 2023. The bonds were issued to finance costs associated with acquiring, constructing, and equipping a golf course (River Oaks), park improvements, and paying the costs of issuing the bonds. The final payment was made on September 15, 2012 in the amount of \$214,463. Principal of \$2,780,000 was advance refunded during fiscal year 2010 with the Series 2010 Sales Tax Revenue Refunding Bonds.

On August 15, 2003, the City issued \$7,225,000 in Sales Tax Revenue Bonds (Series 2003) at rates from 1.75 to 4.60 percent with a final maturity date of September 15, 2023. The bonds were issued to finance the costs associated with i) acquiring a justice court building, ii) refunding the 1996 Motor Fuel Excise Tax Revenue bonds and the 1994B Lease Revenue bonds, and iii) paying issuance costs of the bonds. Remaining principal and

**SANDY CITY**  
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interest payments on the bonds total \$194,038. The bonds maturing on or before September 15, 2013, are not subject to optional redemption prior to maturity, while those maturing on or after September 15, 2014, are subject to redemption at the election of the City. The redemption price is equal to 100 percent of the principal amount plus accrued interest. \$2,430,000 of principal was defeased during fiscal year 2012 with the Series 2012 Sales Tax Revenue Refunding Bonds.

On November 1, 2004, the City issued \$16,520,000 in Sales Tax and Refunding Bonds (Series 2004) at rates from 3.00 to 5.00 percent with a final maturity date of June 15, 2020. The bonds were issued to i) refund the 1998C and 1999 Municipal Building Authority Lease Revenue Bonds, ii) finance the costs associated with the acquisition, construction and equipping of road improvements, park improvements and other City-owned capital improvements, and iii) pay costs associated with the issuance of the 2004 bonds. The total principal and interest remaining to be paid on the bonds is \$2,152,244. The 2004 bonds maturing on or after June 15, 2014, are not subject to optional redemption prior to maturity. The 2004 bonds maturing on or after June 15, 2015, are subject to redemption at the option of the City on June 15, 2014, and on any date thereafter prior to maturity at a redemption price equal to 100 percent of the principal amount of the 2004 bonds to be redeemed, plus accrued interest thereon on the redemption date. \$1,500,000 of principal was defeased during fiscal year 2012 with the Series 2012 Sales Tax Revenue Refund Bonds. \$6,780,000 of principal was defeased during fiscal year 2013 with the Series 2013 Sales Tax Revenue Refunding Bond.

On December 2, 2009, the City issued \$7,140,000 in taxable Sales Tax Revenue Bonds (Series 2009). The City has elected to treat the Series 2009 bonds as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 and to receive a cash subsidy from the United States Treasury equal to 35 percent of the interest payable on the Series 2009 bonds. Due to the federal sequester the cash subsidy has been reduced by 8.7% which took effect on March 15, 2013. Any interest cash subsidies received from the United States Treasury are treated as pledged revenue. The bond proceeds were used to i) finance the acquisition and construction of improvements to the City's storm drain system and related improvements, and ii) pay the costs of issuing the Series 2009 bonds. The total principal and interest remaining to be paid on the bonds is \$8,429,690 (excludes United States Treasury subsidy). The Series 2009 bonds have a maturity date of September 15, 2024, at interest rates ranging from 1.35 to 6.18 percent. The Series 2009 bonds maturing on or after September 15, 2010, are subject to redemption at the option of the City at a redemption price equal to 100 percent of bonds to be redeemed plus accrued interest up to the date of redemption.

On March 23, 2010, the City issued \$7,070,000 in Sales Tax Revenue Refunding Bonds (Series 2010) at interest rates from 2.00 to 5.00 percent with a final maturity date of September 15, 2022. The bonds were issued to i) partially advance refund the 2002A and 2002B Sales Tax Revenue Bonds that were issued to finance the cost associate with acquiring, constructing, equipping certain storm drain improvements, and ii) pay the costs of issuing the Series 2010 bonds. Please see "Defeasance of Debt" on page 73 for more information. The total principal and interest remaining to be paid on the bonds is \$7,285,722. The 2010 bonds maturing on or before September 15, 2019, are not subject to redemption at the option of the City. The 2010 bonds maturing after September 15, 2019, are subject to redemption at the option of the City at a redemption price equal to 100 percent of bonds to be redeemed plus accrued interest up to the date of redemption.



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On March 15, 2012, the City issued \$3,920,000 in Sales Tax Revenue Refunding Bonds (Series 2012) at interest rates from 2.00 to 4.00 percent with a final maturity date of March 15, 2024. The bonds were issued to i) partially advance refund the 2003 and 2004 Sales Tax Revenue Bonds, and ii) pay the costs of issuing the Series 2012 bonds. Please see "Defeasance of Debt" on page 73 for more information. The total principal and interest remaining to be paid on the bonds is \$4,841,650. The 2012 bonds maturing on or before March 15, 2021, are not subject to redemption at the option of the City. The 2012 bonds maturing after March 15, 2022, are subject to redemption at the option of the City. The 2012 bonds maturing after March 15, 2021, are subject to redemption at the option of the City at a redemption price equal to 100 percent of bonds to be redeemed plus accrued interest up to the date of redemption.

On April 11, 2013, the City issued \$6,780,000 in Federally Taxable Sales Tax Revenue Refunding Bonds (Series 2013) at interest rates from .70 to 1.86 percent with a final maturity date of June 15, 2019. The bonds were issued to i) partially advance refund part of the 2004 Sales Tax Revenue Bond, and ii) pay the costs of issuing the Series 2013 bonds. Please see "Defeasance of Debt" on page 73 for more information. The total principal and interest remaining to be paid on the bonds is \$7,183,283. The Series 2013 Bonds are not subject to optional redemption prior to maturity.

Principal and interest paid for the current year on all outstanding Sales Tax Revenue Bonds and total sales and use tax revenues were \$3,026,970 and \$18,292,178, respectively. It is estimated approximately 20 percent of sales and use tax revenues will be used for annual principal and interest payments.

**Transient Room Tax Revenue Bonds**

On August 21, 2007, the City's Redevelopment Agency issued \$27,000,000 in Transient Room Tax Revenue Bonds, Series 2007A, and \$8,000,000 in Subordinate Transient Room Tax and Annual Contribution Revenue Bonds, Series 2007B, at a 4.88 percent interest rate with a final maturity date of July 15, 2027. The bonds were issued to i) finance the costs of acquiring land for a new soccer stadium and related facilities, ii) acquire and construct infrastructure, parking, landscaping, and related improvements in connection with such stadium to be built in the City and more specifically within the Community Development Project Area, and iii) pay costs associated with the issuance of the bonds. The total amount of principal and interest remaining to be paid on the bonds is \$45,623,120. The City's portion of the transient room tax has been pledged as collateral for these bonds. Annual principal and interest payments on the bonds are estimated to require 100 percent of transient room tax revenues.

For both the Series 2007A and 2007B bonds, up to \$1,000,000 in aggregate principal amounts are subject to redemption, but only from excess revenues, at the option of the issuer on any interest payment date prior to maturity. The redemption price is equal to 100 percent of the principal amount of the Series 2007A and Subordinate Series 2007B bonds to be redeemed, plus accrued interest thereon to the redemption date.

Series 2007A and 2007B bonds maturing on or after July 15, 2018, are also subject to redemption at the option of the issuer on July 15, 2017, and on any date thereafter prior to maturity, in whole or in part, at a redemption price of 100 percent of the principal amount of the bonds to be redeemed, plus accrued interest to the date of redemption.

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Principal and interest paid for the current year on all outstanding Transient Room Tax Revenue Bonds and Transient Room Tax revenues were \$2,434,042 and \$2,289,603, respectively. It is estimated that 100 percent of transient room tax revenues will be used for annual principal and interest payments.

**Tax Increment Bonds**

On August 4, 2008, the Sandy City Redevelopment Agency issued \$11,040,000 in Community Development Tax Increment and Revenue Bonds (9400 South CDA), Series 2008. The bonds are secured by a first lien pledge of the incremental property taxes generated by the ReAL soccer stadium project as well as an additional \$1,000,000 pledge of the City's municipal energy sales and use taxes. The bond proceeds were used to i) finance the construction of certain improvements related to the ReAL soccer stadium, ii) fund a deposit of \$863,836 to the debt service reserve fund, and iii) pay costs associated with the issuance of the Series 2008 bonds. The total amount of principal and interest remaining to be paid on the bonds is \$12,342,201. It is estimated 100 percent of the 9400 South CDA tax increment will be required for annual principal and interest payments. In addition, it is estimated 10 percent of the \$1,000,000 municipal energy sales and use tax pledge will be required to meet debt service requirements of the bond.

The Series 2008 bonds have a maturity date of July 15, 2018, an interest rate of 4.84 percent, and are callable on any payment date at 103 percent of par up to July 15, 2015. On July 15, 2015 the Series 2008 bonds are callable at 100 percent of par payable on any payment date.

Principal and interest paid for the current year on all outstanding Tax Increment Bonds and total tax increment revenue were \$862,228 and \$129,877, respectively. It is estimated approximately 100 percent of the tax increment revenue for the 9400 South area will be used for the annual principal and interest payments.

**Notes Payable**

On June 6, 1996, the City issued a \$2,515,000 note, guaranteed by the U.S. Department of Housing and Urban Development (HUD), for the creation of a Senior Citizen's Center. The remaining balance of \$1,325,000 was refinanced on June 12, 2008, at interest rates ranging from 2.62 to 4.62 percent. The final maturity date of August 1, 2015 remained unchanged.

Principal and interest paid for the current year on all outstanding Notes Payable and total notes payable revenues were \$220,489 and \$383,841, respectively. It is estimated approximately 57 percent of notes payable revenues will be used for annual principal and interest payments.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned vacation benefits. All vacation pay is accrued when incurred in the government-wide financial statements. The liability for these amounts is funded in the payroll management fund, an internal service fund, for proprietary funds and governmental funds if they have matured. For governmental funds, any compensated absence liability has typically been liquidated by the general fund.

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**Contracts Payable**

During fiscal year 2005, the City acquired preferential water rights for water produced from the Ontario Drain Tunnel through MWDSLS. MWDSLS issued \$81,750,000 in Series 2005A and Series 2005B Water Revenue Bonds bearing interest rates from 3.00 to 5.00 percent. The City will pay 16.92 percent of this debt to MWDSLS over 27 years (the life of the debt).

**Defeasance of Debt**

During fiscal year 2005, the City issued \$16,520,000 in Sales Tax Revenue and Refunding Bonds. \$14,990,000 of the proceeds were placed in an irrevocable trust to advance refund \$7,150,000 of the 1998C MBA Lease Revenue Bonds and \$8,545,000 of the 1999 MBA Lease Revenue Bonds. At June 30, 2013, the balance of bonds which were considered extinguished was \$8,835,000.

During fiscal year 2010, the City issued \$7,070,000 in Sales Tax Revenue and Refunding Bonds. \$6,960,000 of the proceeds were used to advance refund \$4,180,000 of the 2002 Sales Tax Revenue Bonds and \$2,780,000 of the 2002B Sales Tax Revenue Bonds. At June 30, 2013, the balance of the bonds which were considered extinguished was \$6,220,000.

During fiscal year 2012, the City issued \$3,920,000 in Sales Tax Revenue and Refunding Bonds. All of the proceeds of the bonds plus \$10,000 of City money were used to advance refund \$2,430,000 of the 2003 Sales Tax Revenue Bonds and \$1,500,000 of the 2004 Sales Tax Revenue Bonds. At June 30, 2013, the balance of the bonds which were considered extinguished was \$3,930,000.

During fiscal year 2012, the City issued \$4,330,000 in Water Revenue and Refunding Bonds. \$4,110,000 of the proceeds were used to advance refund a portion of the 2004 Water Revenue Bonds. At June 30, 2013, the balance of the bonds which were considered extinguished was \$4,110,000.

During fiscal year 2013, the City issued \$6,780,000 in Sales Tax Revenue and Refunding Bonds. All of the proceeds of the bonds plus \$139,318 were used to advance refund an additional \$6,340,000 of the 2004 Sales Tax Revenue Bonds, which refunded the 1998C and 1999 Municipal Building Authority Lease Revenue Bonds. At June 30, 2013, the balance of the bonds which were considered extinguished was \$6,340,000. The difference between cash flows required to service the old debt and cash flows required to service the new debt is \$435,587. The economic gain (difference between the present values of the old and new debt service payments) resulting from this transaction is \$409,683.

**Note 12 - Pension Plans**

**Plan Description**

The City has elected to contribute to Utah State Retirement Systems (USRS). Based upon the type of public employee and their retirement elections, the City contributes to various plans within the USRS: the Local Governmental Contributory Retirement System, the Local Governmental Non-Contributory Retirement System, the Public Safety Retirement System Non-Contributory for employers without Social Security coverage, and the Firefighters Retirement System for employers without Social Security coverage, all of which are administered by the USRS. USRS provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the state legislature.

Employees hired after July 1, 2011 are subject to different contributions to their Utah State Retirement Systems account than those hired prior to that date. These employees are considered Tier 2 and will be able to choose between two plans. The first is the Tier 2 Hybrid Retirement System. The monthly benefit is determined by age, years of service credit, final average monthly salary, and the benefit formula. Employees can retire at any age with 35 years of service. The service benefit formula is based on the number of years of service multiplied by one and one half percent multiplied by the highest five years' earnings converted to an average. The second is the Tier 2 Defined Contribution Plan. With this plan, the City contributes 10.15 percent of the employee's compensation to a defined contribution plan. City contributions are vested after four years and employee deferrals are vested immediately.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended which also establishes the Utah State Retirement Office. Chapter 49 places the Systems, the Office, and related plans and programs under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the systems and plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

**Funding Policy**

Plan members in the Local Government Contributory Retirement System are required to contribute based upon participating employees' annual salaries. The contribution rates in effect from July 1, 2012 through June 30, 2013 are as follows:

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	<b>Employee Paid</b>	<b>Employee Contributions Paid by City (100% Vested)</b>	<b>City's Matching Contributions</b>	<b>Total Contributions</b>
Local Government Contributory Retirement System Tier 1	N/A	6.00 %	12.03 %	18.03 %
Local Government Contributory Retirement System Tier 2	N/A	N/A	12.74	12.74
Local Government Non-Contributory Retirement System Tier 1	N/A	N/A	16.04	16.04
Public Safety Retirement System Non-Contributory for employers without Social Security coverage Tier 1	N/A	N/A	32.20	32.20
Public Safety Retirement System Contributory for employers without Social Security coverage Tier 2	N/A	N/A	20.71	20.71
Firefighters' Retirement System for employers without Social Security coverage Tier 1	N/A	16.71	2.08	18.79
Firefighters' Retirement System for employers without Social Security coverage Tier 2	N/A	N/A	11.10	11.10

The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

**Trend Information**

The following contributions have been made in the past three years and were equal to the required contributions for each fiscal year ending on June 30th:

	<b>2011</b>	<b>2012</b>	<b>2013</b>
Local Governmental Contributory Retirement System Tiers 1 and 2	\$ 140,839	\$ 163,467	\$ 192,225
Local Governmental Non-Contributory Retirement System Tier 1	1,712,272	1,803,400	2,006,965
Public Safety Retirement System Contributory for employers without Social Security coverage	N/A	3,661	16,909
Public Safety Retirement System Non-Contributory for employers without Social Security coverage Tier 1	1,504,159	1,559,722	1,684,538
Firefighters Retirement System for employers without Social Security coverage Tiers 1 and 2	615,421	634,292	720,342
<b>Total</b>	<b>\$ 3,972,691</b>	<b>\$ 4,164,542</b>	<b>\$ 4,620,979</b>

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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**Note 13 - Deferred Compensation Plans**

The City offers its employees a 457 deferred compensation plan and 401(K) defined contribution tax-sheltered annuity plan. Both plans are provided for within the Internal Revenue Code. The plans' assets and associated liabilities are administered by external agencies: ICMA Retirement Corporation and USRS. The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All ownership and associated interest of the plans are held solely for the benefit of the employees. As a result, the City does not carry the assets or associated liabilities in the City's financial statements.

The City contributes to a 401(K) plan for and on behalf of its public employees, elected and appointed officials, and City Council members. Temporary and seasonal employees receive a City-provided 457 plan contribution. The City Council authorizes a percentage based upon an employees base wage for Tier 1 USRS employees to be contributed into deferred compensation plans: 17.95 percent for full-time employees (excluding police officers), 32.20 percent for police officers, 8.05 percent for council members, and 7.50 percent for temporary and seasonal employees. As noted previously, the USRS deferred compensation rate is actuarially determined by the state depending upon employee classification. The required contribution rates to the 401(K) plan equal the City Council authorized amount less the USRS mandated rate and are as follows: Public employees covered under the Non-Contributory State Retirement, 0.66 percent; Mayor/appointed officials, 17.95 percent; and council members, 8.05 percent. Because the deferred compensation rate for the Public Safety Retirement System equals 32.2 percent, and the rate for Firefighters equals 21.17 percent, the City does not pay into the 401(k) plan for police or fire employees. The required contribution rate to the 457 plan on behalf of temporary and seasonal employees is 7.50 percent.

For Tier 2 USRS employees, the City will match employees' contributions to their 401(K) plan up to 2.00 percent. This percentage is the same for public contributory, public non-contributory, police officers, firefighters, mayor and council members. Tier 2 temporary and seasonal employees have the same 7.50 percent required contribution to the 457 plan as the Tier 1 temporary and seasonal employees.

The City's total contributions were \$901,665 which is 2 percent of the \$39,870,698 in total payroll for covered employees for the year ended June 30, 2013. The City's and employee's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. In addition, all employees are eligible to participate in an elective deferral plan which permits them to defer a portion of their salary until future years. The total contributions made by the employees were \$1,345,374 for the year ended June 30, 2013. At June 30, 2013, the City has made all payments to the plan administrator to satisfy this funding requirement.

**Note 14 - Post Employment Benefits**

The City allows terminated or retired employees to continue their health insurance benefits for a period of 18 months after the employee's termination or retirement date. The City will pay up to two months of these premiums for an employee and their plan dependents in the event that i) a current full or part time employee dies or ii) a full or part time employee is approved for disability due to their diagnosis as terminally ill. All other terminated or retired

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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employees are required to pay the full cost of such extended health insurance coverage. As of June 30, 2013, seven employees had elected to participate in this post-employment benefit program, bearing the full cost of the insurance coverage. The administrative costs to the City for such benefits were not significant, and the City does not have a post employment benefit (OPEB) liability.

**Note 15 - Vacation and Sick Leave**

The City permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary funds financial statements.

Employees can accrue vacation days at various rates depending upon length of service. There are no requirements that vacation leave be taken, but the maximum permissible accumulation is 320 hours except for firefighters who can accumulate 480 hours. At termination, employees are paid for any unused accumulated vacation leave.

The payroll management fund, an internal service fund, contains the City's entire compensated absences liability except for the long-term liability portion of the general fund. The long-term liability portion in the general fund is considered to be any amount in excess of what an employee can accrue in one year. As of June 30, 2013, the general fund long-term liability portion is \$1,155,764.

Employees earn sick leave at the rate of 12 days per year. Unused sick leave may be carried forward to subsequent years. An unlimited amount of sick leave can be accumulated if an employee is not participating in the Retiree Health Savings (RHS) plan. Members of the RHS plan may accumulate 480 hours of sick leave, except for firefighters who may accrue a maximum of 520 hours.

**Note 16 - Commitments and Contingencies**

The City is a defendant in various claims and suits arising from the ordinary course of business. The City's legal counsel believes it has meritorious defenses and any liability resulting from these matters would not be material. Accordingly, no provision for loss related to litigation has been made in the accompanying financial statements. The City records such costs when services are rendered.

Commitments for major construction and capital improvements projects totaled \$2,159,923 at June 30, 2013. This amount includes \$708,483 for the Porter Rockwell Train Tunnel to be paid out in July.

The Sandy City Redevelopment Agency (RDA), a governmental-type fund, has ten outstanding commitments for payment of tax increment. The following is a schedule of estimated future payments to all of these entities as of June 30, 2013. The Board of Realtors Canal, Hyatt Canal, Woodbury, Scheels, and Sandy City commitments are not based on taxable value (each is a flat amount). The remaining payments are estimated based on 2013 property tax rates and values:

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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	2014	2015	2016	2017	2018	2019-2023	2024-2028	2029-2033	2034-2038
Salt Lake County Sewer District	\$ 30,040	\$ 30,040	\$ 30,040	\$ 30,040	\$ 30,040	\$ 30,040	\$ -0-	\$ -0-	\$ -0-
Canyons School District	266,283	355,045	355,045	355,045	355,045	355,045	-0-	-0-	-0-
Boyer Company	36,455	36,455	36,455	-0-	-0-	-0-	-0-	-0-	-0-
Board of Realtors Canal	62,500	62,500	62,500	-0-	-0-	-0-	-0-	-0-	-0-
Workers Compensation Fund	175,254	175,254	175,254	175,254	175,254	175,254	-0-	-0-	-0-
Hyatt Canal	144,373	144,373	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Woodbury Corporation (Hilton Garden Inn)	125,000	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Union Heights	57,332	57,332	57,332	57,332	57,332	286,660	1,146,640	-0-	-0-
Scheels	831,776	831,776	831,776	831,776	831,776	4,158,880	4,158,880	4,158,880	4,158,880
Sandy City	80,000	80,000	27,918	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total</b>	<b>\$ 1,809,013</b>	<b>\$ 1,772,775</b>	<b>\$ 1,576,320</b>	<b>\$ 1,449,447</b>	<b>\$ 1,449,447</b>	<b>\$ 5,005,879</b>	<b>\$ 5,305,520</b>	<b>\$ 4,158,880</b>	<b>\$ 4,158,880</b>

The public utilities department, an enterprise fund, currently has a long-term commitment payable to MWDSLS for various capital improvements. The following is a schedule of future payments due to MWDSLS for capital improvements as of June 30, 2013:

	Water Fund
2014	\$ 4,210,322
2015	4,210,322
2016	4,210,322
2017	4,210,322
2018	4,210,322
2019-2023	21,051,610
2024-2028	21,051,610
2029-2033	21,051,610
2034-2038	8,420,644
<b>Total</b>	<b>\$ 96,837,406</b>

In the normal course of operations, the City receives grant funds from various federal agencies. The grant operations are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

**Note 17 - Transfers In/Out**

During the course of normal operations, the City has transfers between the various funds. The principal purposes of the City's interfund transfers are debt service and capital projects. Transfers in and out for the year ended June 30, 2013 are summarized as follows:



**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

<b>Transfers Out From:</b>					
	<b>General</b>	<b>Storm Water</b>	<b>RDA</b>	<b>Other</b>	<b>Total Transfers In</b>
				<b>Governmental Funds</b>	
<b>Transfers In to the Following Funds:</b>					
Debt Service	\$ 453,023	\$ 1,324,137	\$ 4,682,355	\$ 220,739	\$ 6,680,254
Capital Projects	4,596,943	-0-	-0-	-0-	4,596,943
Other Governmental Funds	1,754,649	-0-	-0-	-0-	1,754,649
Golf	-0-	-0-	150,000	-0-	150,000
<b>Total Transfers Out</b>	<b>\$ 6,804,615</b>	<b>\$ 1,324,137</b>	<b>\$ 4,832,355</b>	<b>\$ 220,739</b>	<b>\$ 13,181,846</b>

**Note 18 - General Fund Administrative Charges**

The general fund charges certain special revenue funds and proprietary funds for various administrative services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City. The amounts charged to those funds during fiscal year 2013 are as follows:

	<b>General Government</b>	<b>Public Works Administration</b>	<b>Total</b>
<b>Special Revenue Funds:</b>			
Redevelopment Agency	\$ 288,040	\$ 36,276	\$ 324,316
Recreation	40,202	-0-	40,202
Sandy Arts Guild	11,031	-0-	11,031
Storm Water Utilities	179,330	-0-	179,330
<b>Enterprise Funds:</b>			
Alta Canyon Sports Center	74,505	-0-	74,505
Water	871,033	-0-	871,033
Waste Collection	236,350	104,761	341,111
Golf	46,821	-0-	46,821
<b>Internal Service Funds:</b>			
Fleet Operations	176,332	49,565	225,897
Information Services	391,910	-0-	391,910
Risk Management	138,474	-0-	138,474
<b>Total</b>	<b>\$ 2,454,028</b>	<b>\$ 190,602</b>	<b>\$ 2,644,630</b>

**Note 19 - Risk Management**

The City is exposed to various risks of loss including torts; workers compensation claims; theft, damage or destruction of assets; errors and omissions; and natural disasters. Insurance coverage for these risks are provided by several commercial insurance carriers. The general liability policy has a \$2,000,000 self insured retention with a \$10,000,000 limit per occurrence. Workers compensation claims are covered by the Workers Compensation Fund. The City commercially insures real property and also insures fleet equipment with individual values in excess of \$40,000 and self-insures all other fleet equipment. For the last three years, claim settlements have not exceeded insurance coverage.

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The liability for claims and judgements is reported in the risk management fund and has been expensed in the current period. Changes in the balances of claims liabilities during the past two years is as follows:

	Year Ended <u>June 30, 2013</u>	Year Ended <u>June 30, 2012</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 385,176	\$ 295,904
Incurred Claims and Changes in Estimates (Including IBNR's)	309,699	299,193
Claims Payments	<u>(465,534)</u>	<u>(209,921)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 229,341</u>	<u>\$ 385,176</u>

The City estimates that \$291,422 of unpaid claims from the current and prior fiscal years will be paid in fiscal year 2014.

**Note 20 - Sandy City Redevelopment Agency**

For the year ended June 30, 2013, the following activity occurred in the City's RDA:

Taxes collected by the RDA:	
Transient room tax	<u>\$ 2,289,603</u>
Tax increment by project:	
South Towne	1,015,192
Civic Center South	1,288,355
9400 South CDA	129,877
Union Heights CDA	57,332
Civic Center North	1,665,053
South Towne Ridge Road	1,459,879
Total tax increment	<u>5,615,688</u>
Total taxes collected	<u><u>\$ 7,905,291</u></u>
Tax increment paid to other taxing agencies	\$ 30,040
Outstanding loans which financed RDA projects	53,132,534
Amounts expended for:	
Land and Equipment	3,878,945
Tax Increment from non-taxing agencies	1,705,830
Housing	31,006
Assessment	8,870
Administrative costs	324,316

**SANDY CITY**  
**Notes to the Financial Statements**  
**June 30, 2013**

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**Note 21 - Related Party Transactions**

During the year ended June 30, 2013, the following payments were made to MWDSLS, which is a related entity:

- \$982,859 in debt service payments for water rights to the Ontario Drain Tunnel water
- \$4,210,322 for capital improvements to be conducted by MWDSLS (long-term commitment)
- \$3,522,506 for water purchases (\$972,145 paid July 2013 for June services)

**Note 22 - Subsequent Events**

On July 15, 2013, the Redevelopment Agency of Sandy City refunded \$30,735,000 in Transient Room Tax Exchange Bonds Series 2007A and 2007B. Doing so reduced our interest rate from 4.88% to 3.45% resulting in a cash flow savings of \$3,901,910.

On October 8, 2013, the City issued \$6,385,000 in Sales Tax Revenue Bonds Series 2013B. The proceeds from the bond will be used to finance the purchase of property located at approximately 10300 South Centennial Parkway, and will pay for the cost of issuing the bonds. The bonds mature on December 15, 2020 and are callable at any time for 100% of the outstanding principle plus any accrued interest.

On November 27, 2013, the Redevelopment Agency of Sandy City refunded \$9,296,000 of the Series 2008 Tax Increment Bonds. In addition, the City issued \$1,520,000 in Sales Tax Revenue Bonds to total \$10,816,000 in Series 2013C Sales Tax Revenue and Refunding Bonds. The bonds were issued to reduce the interest rate on the 2008 Tax Increment Bonds from 4.84% to 3.35% and to contribute to a larger theater at Mount Jordan Middle School. The Sandy Arts Guild will use this theater for various productions and events.

**Note 23 - Prior Period Adjustments**

During the fiscal year, the City implemented *GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and early implemented *GASB Statement No. 65, Items Previously Reported as Assets and Liabilities*. As a result, an adjustment to beginning net position was necessary to remove unamortized bond issuance costs from the balance sheet. The adjustment totaled \$180,827 for business type activities and \$898,643 for governmental activities.

An additional prior period adjustment was necessary to correct the accrual for a contract the City has with the Unified Fire Authority. The contract terms changed in fiscal year 2004 from annual to semi-annual payments. The City did not change the accrual at that time and continued to report as before in subsequent years. The amounts for each year were immaterial. However, cumulatively it now results in a change in beginning net position of \$389,846 and changes capital projects fund balance for the same amount.

The beginning net position as previously reported of \$417,333,677 and \$128,695,109 for governmental activities and business-type activities respectively, and \$117,289,659 in the water fund and \$2,417,155 in the golf fund are restated as \$416,045,188 for governmental activities and \$128,514,281 for business-type activities in the government-wide statements and \$117,147,480 for the water fund and \$2,378,507 for the golf fund in the fund financial statements. Capital projects beginning fund balance was previously reported as \$15,612,676 in the fund financial statements and is restated as \$15,222,830.

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# Required Supplementary Information

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## SANDY CITY

### Roadway System Condition and Maintenance

#### Modified Approach for Infrastructure

June 30, 2013

The condition of the road pavement is measured using the Stantec Pavement Management Application (PMA), which is based on a weighted average of nine distress factors found in pavement surfaces (cracking, raveling, chuck holes, patching, edge cracking, rutting/shoving, bleeding, excessive crown, and distortion). The PMA uses a measurement scale based on a condition index ranging from 0 to 10 for pavement in perfect condition. The condition index is used to classify roads in good or better condition (6.5 - 10), fair condition (4.0 - 6.4), and substandard condition (less than 4.0). These condition indexes are used to evaluate other elements in the right-of-way including sidewalks, curb and gutter, waterways, drive approaches, street signs, and traffic signals. All of these elements, including pavement, make up what is known as the street system. The City's policy is to maintain at least 80 percent of its street system at a good or better condition and have no more than 10 percent in a substandard condition. Condition assessments in the appropriate database are updated annually. For fiscal year 2013, there were no significant changes. Due to the size of the City, it takes approximately two years to complete a 100 percent evaluation of these elements before restarting the process.

#### Condition Rating of the City's Roadway System

##### Percentage of Roadway System in Good or Better Condition

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Arterials	97.6%	97.4%	97.2%	90.8%	91.1%
Collectors	93.5%	93.1%	91.6%	91.8%	91.2%
Secondary	89.6%	89.1%	89.6%	89.9%	89.2%
Overall System	91.9%	91.5%	91.4%	90.5%	90.0%

##### Percentage of Roadway System in Substandard Condition

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Arterials	0.3%	0.3%	0.2%	0.2%	0.2%
Collectors	0.3%	0.2%	0.2%	0.1%	0.2%
Secondary	0.6%	0.5%	0.4%	0.3%	0.4%
Overall System	0.5%	0.4%	0.3%	0.2%	0.3%

##### Comparison of Needed to Actual Maintenance/Preservation

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Arterials					
Needed	\$ 4,858,602	\$ 4,366,013	\$ 4,308,135	\$ 3,898,791	\$ 4,612,987
Actual	3,950,608	3,583,521	3,836,819	3,125,389	4,235,695
Collectors					
Needed	971,720	873,203	861,627	779,758	922,597
Actual	790,122	716,704	767,364	625,078	847,139
Secondary					
Needed	1,110,538	997,946	984,717	891,152	1,054,397
Actual	902,996	819,090	876,987	714,375	968,159
Overall System					
Needed	6,940,860	6,237,162	6,154,479	5,569,701	6,589,981
Actual	5,643,726	5,119,315	5,481,170	4,464,842	6,050,993
	<u>\$(1,297,134)</u>	<u>\$(1,117,847)</u>	<u>\$ (673,309)</u>	<u>\$(1,104,859)</u>	<u>\$ (538,988)</u>

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# Supplementary Information

**SANDY CITY**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2013**

	General Fund	Storm Water	Debt Service	Capital Projects	RDA	Other Governmental Funds	Governmental Funds Total
<b>Revenues:</b>							
Taxes:							
General Property Taxes	\$ 7,917,405	\$ -0-	\$ -0-	\$ -0-	\$ 5,615,688	\$ -0-	\$ 13,533,093
General Sales and Use Taxes	18,292,178	-0-	-0-	-0-	-0-	-0-	18,292,178
Franchise Taxes	9,162,809	-0-	-0-	-0-	-0-	-0-	9,162,809
Motor Vehicle Fee	614,094	-0-	-0-	-0-	-0-	-0-	614,094
Transient Room Taxes	-0-	-0-	-0-	-0-	2,289,603	-0-	2,289,603
Total Taxes	35,986,486	-0-	-0-	-0-	7,905,291	-0-	43,891,777
Special Assessments	-0-	-0-	8,870	-0-	-0-	2,290	11,160
Innkeeper Fees	-0-	-0-	407,498	-0-	-0-	-0-	407,498
Licenses and Permits	2,301,985	-0-	-0-	-0-	-0-	-0-	2,301,985
Intergovernmental	3,255,996	-0-	565,337	793,981	-0-	446,827	5,062,141
Sponsors	-0-	-0-	-0-	-0-	-0-	1,349	1,349
Administrative Charges	2,644,630	-0-	-0-	-0-	-0-	-0-	2,644,630
Fines and Forfeitures	2,133,901	-0-	-0-	620	-0-	-0-	2,134,521
Cell Tower Lease	445,587	-0-	-0-	119,670	-0-	-0-	565,257
Fees from Developers	-0-	131,630	28,957	461,286	-0-	-0-	621,873
Charges for Sales and Services	3,202,051	3,698,049	-0-	-0-	-0-	749,208	7,649,308
Interest Income	15,957	6,687	13,314	86,792	65,243	16,811	204,804
Miscellaneous	102,233	73,556	-0-	58,938	3,303	807,700	1,045,730
Total Revenues	50,088,826	3,909,922	1,023,976	1,521,287	7,973,837	2,024,185	66,542,033
<b>Expenditures:</b>							
Salaries and Benefits	31,285,926	814,922	-0-	-0-	218,931	1,187,095	33,506,874
Materials and Supplies	4,210,685	191,483	-0-	-0-	24,260	989,946	5,416,374
Contracted Services	1,611,977	5,865	-0-	-0-	782,120	388,206	2,788,168
Internal Charges	3,896,899	579,279	-0-	-0-	11,746	109,192	4,597,116
Administrative Charges	-0-	71,732	-0-	-0-	324,316	51,233	447,281
Cost of Goods Sold	-0-	16,664	-0-	-0-	-0-	572,534	589,198
Bond Issuance Cost and Trustee Fees	-0-	-0-	599,977	-0-	76,754	-0-	676,731
Capital Outlays	1,632,470	679,787	-0-	8,730,693	5,624,651	362,911	17,030,512
Principal	-0-	-0-	4,746,000	-0-	-0-	-0-	4,746,000
Interest	-0-	-0-	3,170,976	-0-	-0-	-0-	3,170,976
Total Expenditures	42,637,957	2,359,732	8,516,953	8,730,693	7,062,778	3,661,117	72,969,230
Excess (Deficiency) of Revenues Over Expenditures	7,450,869	1,550,190	(7,492,977)	(7,209,406)	911,059	(1,636,932)	(6,427,197)
<b>Other Financing Sources (Uses):</b>							
Issuance of Debt	-0-	-0-	6,780,000	-0-	-0-	-0-	6,780,000
Bond Premium	-0-	-0-	1,209	-0-	-0-	-0-	1,209
Redemption of Refunded Bonds	-0-	-0-	(6,340,000)	-0-	-0-	-0-	(6,340,000)
Sale of Capital Assets	1,000	-0-	-0-	-0-	1,164,475	-0-	1,165,475
Transfers In	-0-	-0-	6,680,254	4,596,943	-0-	1,754,649	13,031,846
Transfers Out	(6,804,615)	(1,324,137)	-0-	-0-	(4,832,355)	(220,739)	(13,181,846)
Total Other Financing Sources (Uses)	(6,803,615)	(1,324,137)	7,121,463	4,596,943	(3,667,880)	1,533,910	1,456,684
Net Change in Fund Balances	647,254	226,053	(371,514)	(2,612,463)	(2,756,821)	(103,022)	(4,970,513)
Beginning Fund Balance - As Restated [Note 23]	5,503,886	1,657,740	2,165,220	15,222,830	746,187	1,418,644	26,714,507
Ending Fund Balances	\$ 6,151,140	\$ 1,883,793	\$ 1,793,706	\$ 12,610,367	\$ (2,010,634)	\$ 1,315,622	\$ 21,743,994

**SANDY CITY****Debt Service****Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****For the Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Special Assessments	\$ 8,886	\$ 8,886	\$ 8,870	\$ (16)
Innkeeper Fees	384,500	384,500	407,498	22,998
Intergovernmental	570,235	565,340	565,337	(3)
Fees from Developers	10,000	10,000	28,957	18,957
Interest Income	15,245	15,245	13,314	(1,931)
Total Revenues	988,866	983,971	1,023,976	40,005
<b>Expenditures:</b>				
Principal	4,746,000	11,086,000	11,086,000	-0-
Interest	3,310,297	3,170,979	3,170,976	3
Bond Issuance Cost and Trustee Fees	20,290	602,017	599,977	2,040
Total Expenditures	8,076,587	14,858,996	14,856,953	2,043
Excess (Deficiency) of Revenues Over Expenditures	(7,087,721)	(13,875,025)	(13,832,977)	42,048
<b>Other Financing Sources (Uses):</b>				
Issuance of Debt	-0-	6,781,209	6,781,209	-0-
Transfers In	6,716,309	6,722,404	6,680,254	(42,150)
Total Other Financing Sources (Uses)	6,716,309	13,503,613	13,461,463	(42,150)
Net Change in Fund Balance	(371,412)	(371,412)	(371,514)	(102)
Beginning Fund Balance	2,165,220	2,165,220	2,165,220	-0-
Ending Fund Balance	\$ 1,793,808	\$ 1,793,808	\$ 1,793,706	\$ (102)

# SANDY CITY

## Capital Projects

### Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 58,390	\$ 103,001	\$ 793,981	\$ 690,980
Fines and Forfeitures	-0-	-0-	620	620
Cell Tower Lease	113,746	113,746	119,670	5,924
Fees from Developers	323,000	323,000	461,286	138,286
Interest Income	93,600	93,600	86,792	(6,808)
Miscellaneous	-0-	-0-	58,938	58,938
Total Revenues	588,736	633,347	1,521,287	887,940
<b>Expenditures:</b>				
Capital Outlays	468,857	468,857	-0-	468,857
Land	4,796,944	4,796,944	4,610,521	186,423
Buildings	1,779,260	1,779,260	513,595	1,265,665
Roads	4,568,868	4,568,868	2,195,618	2,373,250
Parks	2,518,560	2,518,560	1,311,483	1,207,077
Miscellaneous	710,144	754,755	99,476	655,279
Total Expenditures	14,842,633	14,887,244	8,730,693	6,156,551
Excess (Deficiency) of Revenues Over Expenditures	(14,253,897)	(14,253,897)	(7,209,406)	7,044,491
<b>Other Financing Sources (Uses):</b>				
Transfers In	2,012,463	2,012,463	4,596,943	2,584,480
Total Other Financing Sources (Uses)	2,012,463	2,012,463	4,596,943	2,584,480
Net Change in Fund Balance	(12,241,434)	(12,241,434)	(2,612,463)	9,628,971
Beginning Fund Balance - As Restated [Note23]	15,222,830	15,222,830	15,222,830	-0-
Ending Fund Balance	\$ 2,981,396	\$ 2,981,396	\$ 12,610,367	\$ 9,628,971

# Non-major Governmental Funds

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**Special revenue funds** are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

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**Landscape Maintenance** - This fund is used to account for the service-type special assessments legally restricted for operation and maintenance of streetscapes.

**Community Development Block Grant (CDBG)** - This fund is used to account for the revenues received by the City as grantee participant in the Community Development Block Grant program.

**Recreation** - This fund is used to account for the City's recreation activities.

**Community Events** - The City elects to sponsor certain performing arts, programs, and special events. This fund is used to account for the revenue and expenditures associated with these events.

**Sandy Arts Guild** - The City arranges for concerts, programs, and special events to be performed within our amphitheater for the enjoyment of our citizens. This fund is used to account for the revenue and expenditures associated with these events.

**Electric Utility** - This fund is used to account for the operation of the City's street light system.

**Sandy City Donations** - This fund was established to account for individual, private, and intergovernmental contributions held in trust by the City.

**SANDY CITY**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2013**

	<b>Landscape</b>			<b>Community</b>	
	<b>Maintenance</b>	<b>CDBG</b>	<b>Recreation</b>	<b>Events</b>	
<b><u>ASSETS</u></b>					
<b>Current Assets:</b>					
Cash and Cash Equivalents	\$ 17,510	\$ -0-	\$ 402,946	\$ 148,493	
Receivables	-0-	-0-	-0-	-0-	
Due from other Governments	-0-	23,880	-0-	-0-	
Total Assets	17,510	23,880	402,946	148,493	
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities:</b>					
Accounts Payable	-0-	4,295	18,774	6,252	
Salaries and Benefits Payable	-0-	1,675	14,409	4,840	
Due to Other Funds	-0-	17,910	-0-	-0-	
Deposits	-0-	-0-	44	-0-	
Total Liabilities	-0-	23,880	33,227	11,092	
<b>Fund Balance</b>					
Restricted for:					
Landscape Maintenance	17,510	-0-	-0-	-0-	
Recreation	-0-	-0-	369,719	-0-	
Community Events	-0-	-0-	-0-	137,401	
Sandy Arts Guild	-0-	-0-	-0-	-0-	
Electric Utility	-0-	-0-	-0-	-0-	
Sandy City Donations	-0-	-0-	-0-	-0-	
Total Liabilities and Fund Balance	\$ 17,510	\$ 23,880	\$ 402,946	\$ 148,493	

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**ASSETS****Current Assets:**

	<b>Sandy Arts Guild</b>	<b>Electric Utility</b>	<b>Sandy City Donations</b>	<b>Total</b>
Cash and Cash Equivalents	\$ 312,187	\$ 214,721	\$ 311,088	\$ 1,406,945
Receivables	53	28	-0-	81
Due from other Governments	-0-	-0-	38,260	62,140
Total Assets	312,240	214,749	349,348	1,469,166

**LIABILITIES****Current Liabilities:**

Accounts Payable	22,714	18,981	21,892	92,908
Salaries and Benefits Payable	11,338	3,643	(240)	35,665
Due to Other Funds	-0-	-0-	-0-	17,910
Deposits	-0-	-0-	7,017	7,061
Total Liabilities	34,052	22,624	28,669	153,544

**Fund Balance**

## Restricted for:

Landscape Maintenance	-0-	-0-	-0-	17,510
Recreation	-0-	-0-	-0-	369,719
Community Events	-0-	-0-	-0-	137,401
Sandy Arts Guild	278,188	-0-	-0-	278,188
Electric Utility	-0-	192,125	-0-	192,125
Sandy City Donations	-0-	-0-	320,679	320,679
Total Liabilities and Fund Balance	\$ 312,240	\$ 214,749	\$ 349,348	\$ 1,469,166

# SANDY CITY

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Non-major Governmental Funds

For the Year Ended June 30, 2013

	Landscape Maintenance	CDBG	Recreation	Community Events
<b>Revenues:</b>				
Special Assessments	\$ 2,290	\$ -0-	\$ -0-	\$ -0-
Intergovernmental	-0-	383,841	-0-	-0-
Sponsors	-0-	-0-	-0-	-0-
Charges for Sales and Services	-0-	-0-	712,052	35,593
Interest Income	5,336	-0-	2,902	1,925
Miscellaneous	-0-	-0-	-0-	12,100
Total Revenues	7,626	383,841	714,954	49,618
<b>Expenditures:</b>				
General Government	-0-	-0-	-0-	-0-
Police and Animal Control	-0-	-0-	-0-	-0-
Fire	-0-	-0-	-0-	-0-
Public Works	-0-	-0-	-0-	-0-
Parks, Landscapes and Cemetery	-0-	-0-	-0-	-0-
Community Development	-0-	163,102	-0-	-0-
Recreation and Cultural Events	-0-	-0-	960,946	347,025
Electric Utility	-0-	-0-	-0-	-0-
Total Expenditures	-0-	163,102	960,946	347,025
Excess (Deficiency) of Revenues Over Expenditures	7,626	220,739	(245,992)	(297,407)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-0-	-0-	299,467	311,417
Transfers Out	-0-	(220,739)	-0-	-0-
Total Other Financing Sources (Uses)	-0-	(220,739)	299,467	311,417
Net Change in Fund Balances	7,626	-0-	53,475	14,010
Beginning Fund Balances	9,884	-0-	316,244	123,391
Ending Fund Balances	\$ 17,510	\$ -0-	\$ 369,719	\$ 137,401



	Sandy Arts Guild	Electric Utility	Sandy City Donations	Non-major Governmental Funds Total
<b>Revenues:</b>				
Special Assessments	\$ -0-	\$ -0-	\$ -0-	\$ 2,290
Intergovernmental	62,986	-0-	-0-	446,827
Sponsors	225	-0-	1,124	1,349
Charges for Sales and Services	535,747	463	-0-	1,283,855
Interest Income	2,640	2,406	1,602	16,811
Miscellaneous	-0-	1,190	259,763	273,053
Total Revenues	601,598	4,059	262,489	2,024,185
<b>Expenditures:</b>				
General Government	-0-	-0-	33,941	33,941
Police and Animal Control	-0-	-0-	247,294	247,294
Fire	-0-	-0-	13,552	13,552
Public Works	-0-	-0-	246	246
Parks, Landscapes and Cemetery	-0-	-0-	4,486	4,486
Community Development	-0-	-0-	4,742	167,844
Recreation and Cultural Events	915,586	-0-	12,731	2,236,288
Electric Utility	-0-	957,466	-0-	957,466
Total Expenditures	915,586	957,466	316,992	3,661,117
Excess (Deficiency) of Revenues Over Expenditures	(313,988)	(953,407)	(54,503)	(1,636,932)
<b>Other Financing Sources (Uses):</b>				
Transfers In	347,021	796,744	-0-	1,754,649
Transfers Out	-0-	-0-	-0-	(220,739)
Total Other Financing Sources (Uses)	347,021	796,744	-0-	1,533,910
Net Change in Fund Balances	33,033	(156,663)	(54,503)	(103,022)
Beginning Fund Balances	245,155	348,788	375,182	1,418,644
Ending Fund Balances	\$ 278,188	\$ 192,125	\$ 320,679	\$ 1,315,622

## SANDY CITY

### Landscape Maintenance

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Special Assessments	\$ 2,390	\$ 2,290	\$ (100)
Interest Income	5,349	5,336	(13)
Total Revenues	7,739	7,626	(113)
<b>Expenditures:</b>			
Capital Outlays	40,464	-0-	40,464
Net Change in Fund Balance	(32,725)	7,626	40,351
Beginning Fund Balance	9,884	9,884	-0-
Ending Fund Balance	\$ (22,841)	\$ 17,510	\$ 40,351

## SANDY CITY

### Community Development Block Grant (CDBG)

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Inter-Governmental Revenue	\$ 454,915	\$ 383,841	\$ (71,074)
Total Revenues	454,915	383,841	(71,074)
<b>Expenditures:</b>			
Salaries and Benefits	61,382	61,874	(492)
Materials and Supplies	126,200	97,981	28,219
Internal Charges	2,100	2,100	-0-
Capital Outlays	44,494	1,147	43,347
Total Expenditures	234,176	163,102	71,074
Excess of Revenues Over Expenditures	220,739	220,739	-0-
<b>Other Financing Sources:</b>			
Transfers Out	(220,739)	(220,739)	-0-
Net Change in Fund Balance	-0-	-0-	-0-
Beginning Fund Balance	-0-	-0-	-0-
Ending Fund Balance	\$ -0-	\$ -0-	\$ -0-

## SANDY CITY

### Recreation

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Sales and Services	\$ 724,170	\$ 712,052	\$ (12,118)
Interest Income	2,500	2,902	402
Total Revenues	726,670	714,954	(11,716)
<b>Expenditures:</b>			
Salaries and Benefits	502,162	497,769	4,393
Materials and Supplies	46,705	26,507	20,198
Contracted Services	7,675	10,914	(3,239)
Internal Charges	25,605	25,605	-0-
Administrative Charges	40,202	40,202	-0-
Cost of Goods Sold	392,970	355,429	37,541
Capital Outlays	12,700	4,520	8,180
Total Expenditures	1,028,019	960,946	67,073
Excess (Deficiency) of Revenues Over Expenditures	(301,349)	(245,992)	55,357
<b>Other Financing Sources:</b>			
Transfers In	299,467	299,467	-0-
Net Change in Fund Balance	(1,882)	53,475	55,357
Beginning Fund Balance	316,244	316,244	-0-
Ending Fund Balance	\$ 314,362	\$ 369,719	\$ 55,357

## SANDY CITY

### Community Events

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Sales and Services	\$ 350	\$ 35,593	\$ 35,243
Interest Income	2,100	1,925	(175)
Miscellaneous	9,250	12,100	2,850
Total Revenues	11,700	49,618	37,918
<b>Expenditures:</b>			
Salaries and Benefits	128,475	135,129	(6,654)
Materials and Supplies	188,981	168,169	20,812
Internal Charges	43,727	43,727	-0-
Capital Outlays	1,538	-0-	1,538
Total Expenditures	362,721	347,025	15,696
Excess (Deficiency) of Revenues Over Expenditures	(351,021)	(297,407)	53,614
<b>Other Financing Sources:</b>			
Transfers In	346,826	311,417	(35,409)
Net Change in Fund Balance	(4,195)	14,010	18,205
Beginning Fund Balance	123,391	123,391	-0-
Ending Fund Balance	\$ 119,196	\$ 137,401	\$ 18,205

# SANDY CITY

## Sandy Arts Guild

### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Sponsors	\$ 20,769	\$ 20,769	\$ 225	\$ (20,544)
Charges for Sales and Services	502,000	577,000	535,747	(41,253)
Intergovernmental	48,000	48,000	62,986	14,986
Interest Income	2,500	2,500	2,640	140
Total Revenues	573,269	648,269	601,598	(46,671)
<b>Expenditures:</b>				
Salaries and Benefits	265,979	265,979	271,107	(5,128)
Materials and Supplies	174,276	179,276	177,653	1,623
Contracted Services	351,750	406,750	375,293	31,457
Internal Charges	11,882	11,882	11,882	-0-
Administrative Charges	11,031	11,031	11,031	-0-
Cost of Goods Sold	-0-	-0-	564	(564)
Capital Outlays	65,472	80,472	68,056	12,416
Total Expenditures	880,390	955,390	915,586	39,804
Excess (Deficiency) of Revenues Over Expenditures	(307,121)	(307,121)	(313,988)	(6,867)
<b>Other Financing Sources:</b>				
Transfers In	311,612	311,612	347,021	35,409
Net Change in Fund Balance	4,491	4,491	33,033	28,542
Beginning Fund Balance	245,155	245,155	245,155	-0-
Ending Fund Balance	\$ 249,646	\$ 249,646	\$ 278,188	\$ 28,542

## SANDY CITY

### Electric Utility

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Charges for Sales and Services	\$ -0-	\$ 463	\$ 463
Interest Income	1,800	2,406	606
Miscellaneous	3,000	1,190	(1,810)
Total Revenues	4,800	4,059	(741)
<b>Expenditures:</b>			
Salaries and Benefits	182,835	183,850	(1,015)
Materials and Supplies	536,469	516,282	20,187
Contracted Services	800	838	(38)
Internal Charges	26,475	25,878	597
Cost of Goods Sold	-0-	254	(254)
Capital Outlays	403,753	230,364	173,389
Total Expenditures	1,150,332	957,466	192,866
Excess (Deficiency) of Revenues Over Expenditures	(1,145,532)	(953,407)	192,125
<b>Other Financing Sources (Uses):</b>			
Transfers In	796,744	796,744	-0-
Net Change in Fund Balance	(348,788)	(156,663)	192,125
Beginning Fund Balance	348,788	348,788	-0-
Ending Fund Balance	\$ -0-	\$ 192,125	\$ 192,125

## SANDY CITY

### Sandy City Donations

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Sponsors	\$ -0-	\$ 1,124	\$ 1,124
Interest Income	300	1,602	1,302
Miscellaneous	900,000	259,763	(640,237)
Total Revenues	900,300	262,489	(637,811)
<b>Expenditures:</b>			
Salaries and Benefits	38,980	37,366	1,614
Materials and Supplies	-0-	3,354	(3,354)
Contracted Services	-0-	1,161	(1,161)
Cost of Goods Sold	1,156,299	216,287	940,012
Capital Outlays	-0-	58,824	(58,824)
Total Expenditures	1,195,279	316,992	878,287
Net Change in Fund Balance	(294,979)	(54,503)	240,476
Beginning Fund Balance	375,182	375,182	-0-
Ending Fund Balance	\$ 80,203	\$ 320,679	\$ 240,476



# Enterprise Funds

The **enterprise funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

**Alta Canyon Sports Center** - This fund is used to account for the City's recreation center.

**Water** - This fund is used to account for the operations of the City's water utility.

**Waste** - This fund is used to account for waste collection services provided by an independent contractor.

**Golf** - This fund is used to account for the City's golf course.

## SANDY CITY

### Alta Canyon Sports Center

#### Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 759,094	\$ 757,129	\$ (1,965)
<b>Operating Expenses:</b>			
Salaries and Benefits	819,105	784,117	34,988
Materials and Supplies	184,350	159,152	25,198
Contracted Services	37,650	37,040	610
Internal Charges	33,746	33,746	-0-
Administrative Charges	74,505	74,505	-0-
Cost of Goods Sold	46,238	41,340	4,898
Non-Capital Improvements	11,500	7,327	4,173
Depreciation	52,780	52,780	-0-
Total Operating Expenses	1,259,874	1,190,007	69,867
Operating Income (Loss)	(500,780)	(432,878)	67,902
<b>Nonoperating Revenues:</b>			
General Property Taxes	367,100	368,088	988
Motor Vehicle Fee	33,200	33,212	12
Interest Income	500	447	(53)
Cell Tower Lease	38,424	39,279	855
Other Income	120	77	(43)
Total Nonoperating Revenues:	439,344	441,103	1,759
Change in Net Position	(61,436)	8,225	69,661
Beginning Net Position	877,291	877,291	-0-
Ending Net Position	\$ 815,855	\$ 885,516	\$ 69,661

# SANDY CITY

## Water

### Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Operating Revenues:</b>				
Charges for Sales and Services	\$ 20,000,000	\$ 20,000,000	\$ 21,529,436	\$ 1,529,436
Fees from Developers	206,680	206,680	306,738	100,058
Total Operating Revenues	20,206,680	20,206,680	21,836,174	1,629,494
<b>Operating Expenses:</b>				
Salaries and Benefits	1,867,923	1,867,923	1,892,266	(24,343)
Materials and Supplies	708,459	708,459	593,817	114,642
Contracted Services	475,000	475,000	402,803	72,197
Internal Charges	897,428	897,428	536,782	360,646
Administrative Charges	871,033	871,033	871,033	-0-
Cost of Goods Sold	6,267,540	6,267,540	5,824,092	443,448
Non-Capital Improvements	4,304,268	4,304,268	4,230,387	73,881
Depreciation	4,836,684	4,836,684	4,836,684	-0-
Total Operating Expenses	20,228,335	20,228,335	19,187,864	1,040,471
Operating Income	(21,655)	(21,655)	2,648,310	2,669,965
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	82,000	82,000	71,021	(10,979)
Cell Tower Lease	166,352	166,352	140,352	(26,000)
Other Income	16,168	282,209	282,300	91
Sale of Capital Assets	18,624	18,624	(1,491)	(20,115)
Bond Interest Expense	(840,778)	(840,778)	(822,853)	17,925
Total Nonoperating Revenues (Expenses)	(557,634)	(291,593)	(330,671)	(39,078)
Income (Loss) Before Contributions	(579,289)	(313,248)	2,317,639	2,630,887
<b>Other Financing Sources:</b>				
Contributions from Developers	-0-	-0-	191,267	191,267
Change in Net Position	(579,289)	(313,248)	2,508,906	2,822,154
Beginning Net Position - As Restated [Note 23]	117,147,480	117,147,480	117,147,480	-0-
Ending Net Position	\$ 116,568,191	\$ 116,834,232	\$ 119,656,386	\$ 2,822,154

## SANDY CITY

### Waste

#### Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual For the Year Ended June 30, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 4,515,491	\$ 4,513,156	\$ (2,335)
<b>Operating Expenses:</b>			
Salaries and Benefits	263,146	203,662	59,484
Materials and Supplies	73,090	58,186	14,904
Contracted Services	-0-	99,381	(99,381)
Internal Charges	64,130	64,130	-0-
Administrative Charges	341,111	341,111	-0-
Cost of Services	3,472,815	3,423,873	48,942
Non-Capital Improvements	710,315	17,443	692,872
Total Operating Expenses	4,924,607	4,207,786	716,821
Operating Income (Loss)	(409,116)	305,370	714,486
<b>Nonoperating Revenues:</b>			
Interest Income	10,400	9,057	(1,343)
Other Income	-0-	171,514	171,514
Total Nonoperating Revenues:	10,400	180,571	170,171
Change in Net Position	(398,716)	485,941	884,657
Beginning Net Position	7,427,939	7,427,939	-0-
Ending Net Position	\$ 7,029,223	\$ 7,913,880	\$ 884,657

# SANDY CITY

## Golf

### Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Operating Revenues:</b>				
Charges for Sales and Services	\$ 1,398,800	\$ 1,448,800	\$ 1,446,182	\$ (2,618)
<b>Operating Expenses:</b>				
Salaries and Benefits	554,883	554,883	571,439	(16,556)
Materials and Supplies	225,174	225,174	217,694	7,480
Contracted Services	49,230	49,230	30,939	18,291
Internal Charges	90,561	90,561	90,561	-0-
Administrative Charges	46,821	46,821	46,821	-0-
Cost of Services	235,400	285,400	285,616	(216)
Non-Capital Improvements	17,625	17,625	9,692	7,933
Depreciation	46,910	46,910	46,910	-0-
Total Operating Expenses	1,266,604	1,316,604	1,299,672	16,932
Operating Income	132,196	132,196	146,510	14,314
<b>Nonoperating Revenues (Expenses):</b>				
Interest Income	-0-	-0-	979	979
Other Income (Expense)	(2,000)	(2,000)	(2,800)	(800)
Bond Interest Expense	(123,752)	(123,752)	(123,752)	-0-
Total Nonoperating Revenues (Expenses)	(125,752)	(125,752)	(125,573)	179
Income Before Transfers	6,444	6,444	20,937	14,493
Transfers In	150,000	150,000	150,000	-0-
Change in Net Position	156,444	156,444	170,937	14,493
Beginning Net Position - As Restated [Note 23]	2,378,507	2,378,507	2,378,507	-0-
Ending Net Position	\$ 2,534,951	\$ 2,534,951	\$ 2,549,444	\$ 14,493

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# Internal Service Funds

**Internal service funds** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

**Fleet** - This fund is used to account for the rental of machinery, equipment, vehicles, and their related costs to other departments.

**Information Services** - This fund is used to account for the accumulation and allocation of costs associated with the centralized data processing systems.

**Risk Management** - This fund is used to account for the accumulation and allocation of costs associated with general liability, worker's compensation and risk management functions.

**Equipment Management** - This fund is used to account for the accumulation and allocation of costs associated with the purchase of equipment for the governmental funds.

**Payroll Management** - This fund is used to account for the liability associated with the accumulation of employee compensated absences.

**SANDY CITY****Combining Statement of Net Position****Internal Service Funds****June 30, 2013**

	<b>Fleet</b>	<b>Information Services</b>	<b>Risk Management</b>	<b>Equipment Management</b>	<b>Payroll Management</b>	<b>Internal Service Funds Total</b>
<b><u>ASSETS</u></b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 562,125	\$ 1,430,305	\$ 583,184	\$ 1,140,773	\$ 408,774	\$ 4,125,161
Receivables	2,000,000	-0-	2,873,030	-0-	3,145,800	8,018,830
Inventories	177,171	-0-	-0-	-0-	-0-	177,171
Other Assets	-0-	-0-	-0-	-0-	14,043	14,043
Total Current Assets	2,739,296	1,430,305	3,456,214	1,140,773	3,568,617	12,335,205
Land, Building, Plant, and Equipment	22,841,878	2,657,827	-0-	-0-	-0-	25,499,705
Accumulated Depreciation	(15,885,902)	(2,397,974)	-0-	-0-	-0-	(18,283,876)
Total Assets	9,695,272	1,690,158	3,456,214	1,140,773	3,568,617	19,551,034
<b><u>LIABILITIES</u></b>						
<b>Current Liabilities:</b>						
Accounts Payable	105,904	11,943	37,619	24,412	(27,984)	151,894
Salaries and Benefits Payable	16,391	18,078	3,974	-0-	148,483	186,926
Claims and Judgements Payable	-0-	-0-	229,341	-0-	-0-	229,341
Compensated Absences	-0-	-0-	-0-	-0-	111,548	111,548
Total Current Liabilities	122,295	30,021	270,934	24,412	232,047	679,709
<b>Noncurrent Liabilities:</b>						
Compensated Absences	-0-	-0-	-0-	-0-	1,669,813	1,669,813
Total Noncurrent Liabilities:	-0-	-0-	-0-	-0-	1,669,813	1,669,813
Total Liabilities	122,295	30,021	270,934	24,412	1,901,860	2,349,522
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable Revenue - Property Taxes	-0-	-0-	399,793	-0-	-0-	399,793
Total Deferred Inflows of Resources	-0-	-0-	399,793	-0-	-0-	399,793
<b><u>NET POSITION</u></b>						
Net Investment in Capital Assets	6,955,976	259,853	-0-	-0-	-0-	7,215,829
Unrestricted	2,617,001	1,400,284	2,785,487	1,116,361	1,666,757	9,585,890
Total Net Position	\$ 9,572,977	\$ 1,660,137	\$ 2,785,487	\$ 1,116,361	\$ 1,666,757	\$ 16,801,719



# SANDY CITY

## Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

### Internal Services Fund

For the Year Ended June 30, 2013

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Internal Service Funds Total
<b>Operating Revenue</b>						
Charges for Sales and Services	\$ 3,527,910	\$ 1,551,219	\$ 784,880	\$ 359,723	\$ 758,386	\$ 6,982,118
Miscellaneous	4,731	-0-	17,276	-0-	-0-	22,007
Total Revenues	3,532,641	1,551,219	802,156	359,723	758,386	7,004,125
<b>Operating Expenses</b>						
Salaries and Benefits	714,796	662,310	215,800	-0-	429,939	2,022,845
Materials and Supplies	18,038	17,409	9,476	-0-	21,947	66,870
Contracted Services	4,377	305,181	873,841	-0-	313,940	1,497,339
Internal Charges	22,318	-0-	6,318	-0-	-0-	28,636
Administrative Charges	225,897	391,910	138,474	-0-	-0-	756,281
Cost of Goods Sold	1,490,042	-0-	-0-	-0-	-0-	1,490,042
Non-Capital Improvements	30,719	160,701	-0-	358,425	-0-	549,845
Depreciation	1,631,968	121,709	-0-	-0-	-0-	1,753,677
Total Operating Expenses	4,138,155	1,659,220	1,243,909	358,425	765,826	8,165,535
Operating Income (Loss)	(605,514)	(108,001)	(441,753)	1,298	(7,440)	(1,161,410)
<b>Nonoperating Revenues (Expenses):</b>						
General Property Taxes	-0-	-0-	400,828	-0-	-0-	400,828
Interest Income	12,284	7,830	12,863	6,954	14,126	54,057
Gain (Loss) on Disposal of Asset	200,592	1,276	-0-	-0-	-0-	201,868
Total Nonoperating Revenues	212,876	9,106	413,691	6,954	14,126	656,753
Change in Net Position	(392,638)	(98,895)	(28,062)	8,252	6,686	(504,657)
Net Position - Beginning	9,965,615	1,759,032	2,813,549	1,108,109	1,660,071	17,306,376
Net Position - Ending	\$ 9,572,977	\$ 1,660,137	\$ 2,785,487	\$ 1,116,361	\$ 1,666,757	\$ 16,801,719

**SANDY CITY**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2013**

	<b>Fleet</b>	<b>Information Services</b>	<b>Risk Management</b>	<b>Equipment Management</b>	<b>Payroll Management</b>	<b>Internal Service Funds Total</b>
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers	\$ 3,532,641	\$ 1,551,219	\$ 807,928	\$ 359,723	\$ 751,441	\$ 7,002,952
Payments to Suppliers	(1,857,357)	(905,989)	(1,154,694)	(361,632)	(392,747)	(4,672,419)
Payments to Employees	(710,709)	(660,621)	(216,483)	-0-	(201,966)	(1,789,779)
Net Cash Provided (Used) by Operating Activities	964,575	(15,391)	(563,249)	(1,909)	156,728	540,754
<b>Cash Flows from Noncapital Financing Activities:</b>						
Tax Receipts	-0-	-0-	401,489	-0-	-0-	401,489
Cash Received (Paid) on Interfund Loan	(2,000,000)	-0-	(2,500,000)	-0-	(3,138,855)	(7,638,855)
Net Cash Provided (Used) by Noncapital Financing Activities	(2,000,000)	-0-	(2,098,511)	-0-	(3,138,855)	(7,237,366)
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition of Capital Assets	(1,811,606)	(110,411)	-0-	-0-	-0-	(1,922,017)
Proceeds from Sale of Capital Assets	120,594	1,275	-0-	-0-	-0-	121,869
Net Cash Used by Capital and Related Financing Activities	(1,691,012)	(109,136)	-0-	-0-	-0-	(1,800,148)
<b>Cash Flows from Investing Activities:</b>						
Interest Received	12,284	7,830	12,863	6,954	14,126	54,057
Net Increase (Decrease) in Cash and Cash Equivalents	(2,714,153)	(116,697)	(2,648,897)	5,045	(2,968,001)	(8,442,703)
<b>Cash and Cash Equivalents:</b>						
Beginning of Year	3,276,278	1,547,002	3,232,081	1,135,728	3,376,775	12,567,864
End of Year	\$ 562,125	\$ 1,430,305	\$ 583,184	\$ 1,140,773	\$ 408,774	\$ 4,125,161
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ (605,514)	\$ (108,001)	\$ (441,753)	\$ 1,298	\$ (7,440)	\$ (1,161,410)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Depreciation	1,631,968	121,709	-0-	-0-	-0-	1,753,677
Increase (Decrease) Due to Changes in:						
Accounts Receivables	-0-	-0-	5,772	-0-	(6,945)	(1,173)
Inventories	(35,717)	-0-	-0-	-0-	-0-	(35,717)
Accounts Payable	(30,249)	(30,788)	(126,585)	(3,207)	(56,860)	(247,689)
Salaries and Benefits Payable	4,087	1,689	(683)	-0-	227,973	233,066
Net Cash Provided (Used) by Operating Activities	\$ 964,575	\$ (15,391)	\$ (563,249)	\$ (1,909)	\$ 156,728	\$ 540,754

# SANDY CITY

## Fleet

### Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>Operating Revenues:</b>				
Charges for Sales and Services	\$ 3,784,629	\$ 3,784,629	\$ 3,527,910	\$ (256,719)
Miscellaneous	25,000	25,000	4,731	(20,269)
Total Operating Revenues	3,809,629	3,809,629	3,532,641	(276,988)
<b>Operating Expenses:</b>				
Salaries and Benefits	670,199	670,199	714,796	(44,597)
Materials and Supplies	23,420	23,420	18,038	5,382
Contracted Services	8,000	8,000	4,377	3,623
Internal Charges	22,318	22,318	22,318	-0-
Administrative Charges	225,897	225,897	225,897	-0-
Cost of Services	1,451,450	1,548,450	1,490,042	58,408
Non-Capital Improvements	(26,368)	185,472	30,719	154,753
Depreciation	1,631,968	1,631,968	1,631,968	-0-
Total Operating Expenses	4,006,884	4,315,724	4,138,155	177,569
Operating Income (Loss)	(197,255)	(506,095)	(605,514)	(99,419)
<b>Nonoperating Revenues</b>				
Interest Income	23,000	23,000	12,284	(10,716)
Contributions from Developers	80,000	80,000	200,592	120,592
Total Nonoperating Revenues	103,000	103,000	212,876	109,876
Change in Net Position	(94,255)	(403,095)	(392,638)	10,457
Beginning Net Position - As Restated [Note 23]	9,965,615	9,965,615	9,965,615	-0-
Ending Net Position	\$ 9,871,360	\$ 9,562,520	\$ 9,572,977	\$ 10,457

## SANDY CITY

### Information Services

#### Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2013

	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ 1,566,628	\$ 1,551,219	\$ (15,409)
<b>Operating Expenses:</b>			
Salaries and Benefits	650,738	662,310	(11,572)
Materials and Supplies	30,662	17,409	13,253
Contracted Services	273,755	305,181	(31,426)
Administrative Charges	391,910	391,910	-0-
Non-Capital Improvements	452,457	160,701	291,756
Depreciation	121,709	121,709	-0-
Total Operating Expenses	<u>1,921,231</u>	<u>1,659,220</u>	<u>262,011</u>
Operating Income (Loss)	<u>(354,603)</u>	<u>(108,001)</u>	<u>246,602</u>
<b>Nonoperating Revenues</b>			
Interest Income	9,700	7,830	(1,870)
Contributions from Developers	<u>4,000</u>	<u>1,276</u>	<u>(2,724)</u>
Total Nonoperating Revenues	<u>13,700</u>	<u>9,106</u>	<u>(4,594)</u>
Change in Net Position	(340,903)	(98,895)	242,008
Beginning Net Position - As Restated [Note 23]	<u>1,759,032</u>	<u>1,759,032</u>	<u>-0-</u>
Ending Net Position	<u>\$ 1,418,129</u>	<u>\$ 1,660,137</u>	<u>\$ 242,008</u>

**SANDY CITY****Risk Management****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Operating Revenues:</b>				
Charges for Sales and Services	\$ 787,781	\$ 787,781	\$ 784,880	\$ (2,901)
Miscellaneous	1,988	1,988	17,276	15,288
Total Operating Revenues	789,769	789,769	802,156	12,387
<b>Operating Expenses:</b>				
Salaries and Benefits	215,561	215,561	215,800	(239)
Materials and Supplies	11,697	11,697	9,476	2,221
Contracted Services	905,851	1,075,851	873,841	202,010
Internal Charges	6,318	6,318	6,318	-0-
Administrative Charges	138,474	138,474	138,474	-0-
Non-Capital Improvements	1,100	1,100	-0-	1,100
Total Operating Expenses	1,279,001	1,449,001	1,243,909	205,092
Operating Income (Loss)	(489,232)	(659,232)	(441,753)	217,479
<b>Nonoperating Revenues</b>				
General Property Taxes	399,132	399,132	400,828	1,696
Interest Income	27,000	27,000	12,863	(14,137)
Total Nonoperating Revenues	426,132	426,132	413,691	(12,441)
Change in Net Position	(63,100)	(233,100)	(28,062)	205,038
Beginning Net Position - As Restated [Note 23]	2,813,549	2,813,549	2,813,549	-0-
Ending Net Position	\$ 2,750,449	\$ 2,580,449	\$ 2,785,487	\$ 205,038

## SANDY CITY

### Equipment Management

#### Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual

For the Year Ended June 30, 2013

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	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Operating Revenues:</b>			
Charges for Sales and Services	\$ -0-	\$ 359,723	\$ 359,723
<b>Operating Expenses:</b>			
Non-Capital Improvements	1,117,209	358,425	758,784
Operating Income (Loss)	(1,117,209)	1,298	1,118,507
<b>Nonoperating Revenues:</b>			
Interest Income	-0-	6,954	6,954
Change in Net Position	(1,117,209)	8,252	1,125,461
Beginning Net Position - As Restated [Note 23]	1,108,109	1,108,109	-0-
Ending Net Position	<u>\$ (9,100)</u>	<u>\$ 1,116,361</u>	<u>\$ 1,125,461</u>

**SANDY CITY****Payroll Management****Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual****For the Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating Revenues:</b>				
Charges for Sales and Services	\$ 1,199,486	\$ 1,244,486	\$ 758,386	\$ (486,100)
<b>Operating Expenses:</b>				
Salaries and Benefits	889,486	889,486	429,939	459,547
Materials and Supplies	-0-	-0-	21,947	(21,947)
Contracted Services	310,000	355,000	313,940	41,060
Total Operating Expenses	1,199,486	1,244,486	765,826	478,660
Operating Income (Loss)	-0-	-0-	(7,440)	(7,440)
<b>Nonoperating Revenues:</b>				
Interest Income	25,000	25,000	14,126	(10,874)
Change in Net Position	25,000	25,000	6,686	(18,314)
Beginning Net Position - As Restated [Note 23]	1,660,071	1,660,071	1,660,071	-0-
Ending Net Position	<u>\$ 1,685,071</u>	<u>\$ 1,685,071</u>	<u>\$ 1,666,757</u>	<u>\$ (18,314)</u>

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# Capital Assets Used In the Operations Of Governmental Funds

# SANDY CITY

## Capital Assets Used in the Operation of Governmental Funds

### Comparative Schedules by Source<sup>1</sup>

For the Years Ended June 30, 2013 and 2012

	2013	2012
Governmental funds capital assets:		
Land	\$ 229,250,076	\$ 221,468,330
Buildings	38,989,548	38,967,103
Improvements other than Buildings	41,556,282	39,921,794
Machinery and Equipment	3,072,027	2,784,974
Autos and Trucks	85,160	85,160
Infrastructure	131,762,245	129,559,377
Street Light Improvements	10,978,693	10,407,352
Storm Drain Improvements	47,775,898	46,311,995
Construction In Progress	578,497	2,873,364
Total governmental funds capital assets	<u>\$ 504,048,426</u>	<u>\$ 492,379,449</u>
Investments in governmental funds capital assets by source:		
General	\$ 2,638,886	\$ 2,465,345
Capital Projects	125,434,422	124,878,358
Infrastructure	294,292,957	286,937,957
Special Revenue	26,741,272	24,027,882
Electric Utilities	10,637,716	10,407,351
Storm Water	44,303,174	43,662,556
Total governmental funds capital assets	<u>\$ 504,048,426</u>	<u>\$ 492,379,449</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

# SANDY CITY

## Capital Assets Used in the Operation of Governmental Funds

### Schedule by Function and Activity<sup>1</sup>

June 30, 2013

Function and Activity	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDING	MACHINERY AND EQUIPMENT	AUTOS AND TRUCKS	STREET LIGHT IMPROVEMENTS	STORM WATER IMPROVEMENTS	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
General Government:										
Mayor	\$ -0-	\$ -0-	\$ -0-	8,765	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	8,765
Administrative Services										
(Including Building Services)	9,334,315	18,455,797	2,820,888	409,387	-0-	-0-	-0-	-0-	-0-	31,020,387
Total General Government	9,334,315	18,455,797	2,820,888	418,152	-0-	-0-	-0-	-0-	-0-	31,029,152
Public Safety:										
Police Department										
(Including Animal Control)	116,857	1,681,941	107,989	930,052	71,221	-0-	-0-	-0-	-0-	2,908,060
Fire Department	619,613	5,802,698	558,554	1,122,662	13,939	-0-	-0-	-0-	-0-	8,117,466
Total Public Safety	736,470	7,484,639	666,543	2,052,714	85,160	-0-	-0-	-0-	-0-	11,025,526
Public Works	176,321,474	1,431,078	8,904,201	293,455	-0-	-0-	-0-	-0-	-0-	186,950,208
Parks and Recreation	16,476,345	11,152,716	28,767,837	234,328	-0-	-0-	-0-	-0-	-0-	56,631,226
Community Development	-0-	286,548	33,624	47,867	-0-	-0-	-0-	-0-	-0-	368,039
Redevelopment Agency	6,556,587	59,196	101,728	-0-	-0-	-0-	-0-	-0-	-0-	6,717,511
Storm Water	70,904	119,574	261,461	25,511	-0-	-0-	47,775,898	-0-	-0-	48,253,348
Electric Utilities	-0-	-0-	-0-	-0-	-0-	10,978,693	-0-	-0-	-0-	10,978,693
Streets and Roads	-0-	-0-	-0-	-0-	-0-	-0-	-0-	127,630,164	-0-	127,630,164
Special Improvement Districts	19,753,981	-0-	-0-	-0-	-0-	-0-	-0-	4,132,081	-0-	23,886,062
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	578,497	578,497
Total governmental funds capital assets	\$ 229,250,076	\$ 38,989,548	\$ 41,556,282	\$ 3,072,027	\$ 85,160	\$ 10,978,693	\$ 47,775,898	\$ 131,762,245	\$ 578,497	\$ 504,048,426

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**SANDY CITY**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity<sup>1</sup>**  
**For the Fiscal Year Ended June 30, 2013**

	GENERAL FIXED ASSETS 6/30/12	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS 6/30/13
General Government	\$ 26,078,632	\$ 4,950,520	\$ -0-	\$ 31,029,152
Public Safety:				
Police Department (Including Animal Control)	2,893,060	15,000	-0-	2,908,060
Fire Department	7,699,628	417,838	-0-	8,117,466
Total Public Safety	10,592,688	432,838	-0-	11,025,526
Public Works	186,529,752	420,456	-0-	186,950,208
Parks & Recreation	55,613,178	1,018,048	-0-	56,631,226
Community Development	368,039	-0-	-0-	368,039
Redevelopment Agency	4,004,120	3,876,277	1,162,886	6,717,511
Storm Water	46,598,966	1,657,252	2,870	48,253,348
Electric Utilities	10,407,352	571,341	-0-	10,978,693
Streets and Roads	125,427,296	2,202,868	-0-	127,630,164
Special Improvement Districts	23,886,062	-0-	-0-	23,886,062
Construction in Progress	2,873,364	566,094	2,860,961	578,497
	<u>\$ 492,379,449</u>	<u>\$ 15,695,694</u>	<u>\$ 4,026,717</u>	<u>\$ 504,048,426</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

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# STATISTICAL SECTION

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# STATISTICAL SECTION

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This part of Sandy City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
Financial Trends	126
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	132
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, water revenue. Property tax information has also been included.</i>	
Debt Capacity	139
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	144
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	146
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the current year.

**Sandy City**  
**Changes in Net Position**  
**Last Ten Fiscal Years Ended June 30**  
**(Accrual Basis of Accounting)**

	Fiscal Year									
	2004 <sup>1</sup>	2005 <sup>1</sup>	2006 <sup>1</sup>	2007 <sup>1</sup>	2008 <sup>1</sup>	2009 <sup>1</sup>	2010 <sup>1</sup>	2011 <sup>1</sup>	2012 <sup>1</sup>	2013
<b>Expenses</b>										
<i>Governmental Activities:</i>										
General Government	\$ 6,099,168	\$ 6,732,132	\$ 6,627,873	\$ 6,867,682	\$ 8,211,847	\$ 7,329,037	\$ 5,675,297	\$ 6,218,703	\$ 7,203,080	\$ 7,501,102
Police and Animal Control	11,039,961	11,574,194	11,758,990	12,006,296	12,714,056	13,147,989	13,280,541	13,277,167	13,327,163	13,845,161
Fire	6,684,265	6,547,657	6,844,133	6,706,058	7,752,211	8,278,635	7,809,329	7,664,912	7,640,856	8,011,692
Public Works	8,298,500	7,492,157	5,198,265	7,755,946	5,235,022	9,055,057	7,017,165	8,690,108	11,573,000	9,372,277
Parks, Landscapes, and Cemetery	3,313,008	4,163,629	3,463,605	4,510,115	4,073,782	4,706,362	4,752,925	3,647,766	4,983,440	5,583,595
Community Development	2,067,518	2,086,736	2,346,659	2,410,950	2,550,854	2,394,433	2,547,332	2,410,712	2,440,463	2,416,326
Economic Development	1,038,250	1,348,916	2,510,664	1,773,179	16,696,628	11,840,581	8,100,642	2,676,164	2,308,793	4,366,032
Recreation and Cultural Events	1,427,152	1,547,212	1,739,575	1,608,880	2,475,499	2,462,140	2,498,878	2,478,852	2,496,911	2,078,346
Electric Utility	897,171	870,085	938,764	957,904	1,002,939	1,397,632	1,074,688	1,068,846	1,176,196	760,145
Storm Water Utility	1,600,171	1,731,367	3,938,323	1,997,000	2,461,502	2,785,855	2,408,934	1,445,661	2,730,428	2,957,305
Interest on Long-Term Debt	2,501,093	2,498,894	2,107,516	1,801,513	3,908,447	3,936,660	3,980,539	3,676,230	3,545,371	3,101,351
Total Governmental Activities	44,966,258	46,592,980	47,474,367	48,395,524	67,082,788	67,334,382	59,146,272	53,255,121	59,425,701	59,993,332
<i>Business Type Activities:</i>										
Alta Canyon Sports Center	1,034,668	1,058,633	1,066,562	1,114,365	1,174,844	1,335,997	1,160,884	1,171,414	1,279,180	1,192,932
Water	10,304,439	12,899,107	16,134,264	17,216,366	16,890,054	18,252,920	16,485,379	17,390,217	20,161,874	20,058,873
Waste	3,477,255	3,658,358	3,624,065	3,663,177	3,823,602	3,899,198	3,794,550	4,127,282	4,245,275	4,214,985
Golf Course	1,251,648	1,205,060	1,318,897	1,359,235	1,418,273	1,386,331	1,298,705	1,205,941	1,331,806	1,435,133
Total Business-Type Activities	16,068,010	18,821,158	22,143,788	23,353,143	23,306,773	24,874,446	22,739,518	23,894,854	27,018,135	26,901,923
<b>Total Primary Government Expenses</b>	<b>\$ 61,034,268</b>	<b>\$ 65,414,138</b>	<b>\$ 69,618,155</b>	<b>\$ 71,748,667</b>	<b>\$ 90,389,561</b>	<b>\$ 92,208,828</b>	<b>\$ 81,885,790</b>	<b>\$ 77,149,975</b>	<b>\$ 86,443,836</b>	<b>\$ 86,895,255</b>
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
Charges for Services:										
General Government	\$ 136,348	\$ 30,691	\$ 36,990	\$ 31,406	\$ 35,343	\$ 77,775	\$ 43,766	\$ 501,076	\$ 870,933	\$ 844,070
Police and Animal Control	3,040,121	3,672,182	3,198,097	3,552,617	3,267,375	3,283,311	3,320,215	3,040,930	3,067,009	2,380,918
Fire	1,094,975	1,400,659	1,718,067	1,932,327	2,124,504	2,384,520	2,159,536	2,161,989	2,000,568	2,165,087
Public Works	2,801,034	2,894,576	1,506,543	651,629	94,711	507,198	110,630	278,545	208,781	207,322
Community Development	1,810,767	2,188,270	2,762,696	2,935,698	2,801,626	2,211,134	1,655,277	1,941,264	1,878,509	2,322,539
Economic Development	3,515,038	4,002,758	4,406,573	4,592,366	4,678,009	5,166,124	5,391,945	5,710,377	6,179,803	6,783,466
Culture and Recreation	831,788	1,009,439	944,071	1,026,208	1,198,485	1,090,816	1,192,418	1,212,118	1,296,683	1,312,058
Storm Water Utility	2,973,078	3,258,241	3,652,827	3,436,837	4,753,257	3,429,374	3,369,493	3,328,416	3,589,600	3,903,236
Other Activities	198,701	190,948	205,994	714,630	653,063	476,673	321,288	739,530	436,997	536,079
Operating Grants and Contributions	4,212,373	3,702,446	4,624,621	3,908,887	3,707,626	4,398,829	3,506,589	3,559,863	3,356,286	3,405,485
Capital Grants and Contributions	385,028	447,787	2,553,325	4,032,491	6,319,117	6,364,193	6,002,981	1,775,948	5,703,845	3,375,315
Total Governmental Activities Program Revenues	20,999,251	22,797,997	25,609,804	26,815,096	29,633,116	29,389,947	27,074,138	24,250,056	28,589,014	27,235,575



*Business-Type Activities:*

## Charges for Services:

Water	16,323,557	15,287,242	19,324,327	20,293,651	21,606,851	31,465,573	19,318,188	19,771,809	24,686,446	22,261,334
Waste	3,745,924	3,738,162	3,539,681	4,441,427	4,158,532	3,943,034	4,147,863	4,152,925	4,294,093	4,684,670
Alta Canyon	574,708	571,502	588,592	697,636	736,662	691,144	725,632	739,635	775,946	796,486
Golf Course	1,127,817	1,139,850	1,950,594	1,413,436	1,403,439	1,348,976	1,292,416	1,214,108	1,404,359	1,446,183
Operating Grants and Contributions	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Capital Grants and Contributions	1,172,856	-0-	-0-	-0-	-0-	2,793,500	-0-	-0-	-0-	191,267
Total Business-Type Activities Program Revenues	22,944,862	20,736,756	25,403,194	26,846,150	27,905,484	40,242,227	25,484,099	25,878,477	31,160,844	29,379,940
<b>Total Primary Government Program Revenues</b>	<b>\$ 43,944,113</b>	<b>\$ 43,534,753</b>	<b>\$ 51,012,998</b>	<b>\$ 53,661,246</b>	<b>\$ 57,538,600</b>	<b>\$ 69,632,174</b>	<b>\$ 52,558,237</b>	<b>\$ 50,128,533</b>	<b>\$ 59,749,858</b>	<b>\$ 56,615,515</b>

**Net (Expense)/Revenue**

Governmental Activities	(23,967,007)	(23,794,983)	(21,864,563)	(21,580,428)	(37,449,672)	(37,944,435)	(32,072,134)	(29,005,065)	(30,836,687)	(32,757,757)
Business-Type Activities	6,876,852	1,915,598	3,259,406	3,493,007	4,598,711	15,367,781	2,744,581	1,983,623	4,142,709	2,478,017
<b>Total Primary Government Net Expense</b>	<b>\$ (17,090,155)</b>	<b>\$ (21,879,385)</b>	<b>\$ (18,605,157)</b>	<b>\$ (18,087,421)</b>	<b>\$ (32,850,961)</b>	<b>\$ (22,576,654)</b>	<b>\$ (29,327,553)</b>	<b>\$ (27,021,442)</b>	<b>\$ (26,693,978)</b>	<b>\$ (30,279,740)</b>

**General Revenues and Other Changes in Net Position***Governmental Activities:*

Taxes										
Property Taxes	\$ 7,323,101	\$ 7,262,922	\$ 7,350,178	\$ 7,455,228	\$ 7,538,275	\$ 7,600,153	\$ 7,690,136	\$ 7,667,234	\$ 7,824,467	\$ 7,821,494
Sales Taxes	15,161,445	15,857,517	17,681,709	19,286,918	19,746,002	17,109,760	16,064,881	15,703,214	16,949,514	18,292,178
Franchise Taxes	4,688,366	6,284,131	6,600,373	7,091,234	7,145,328	7,382,659	7,422,695	7,530,832	8,768,487	9,162,809
Motor Vehicle Tax	881,376	818,905	825,617	824,486	757,242	740,318	694,237	599,710	629,069	614,094
Transient Room Tax	-0-	-0-	-0-	-0-	2,710,280	2,007,787	1,903,278	2,008,594	2,213,721	2,289,603
Investment Earnings	410,215	709,066	1,472,455	2,104,210	1,872,278	949,654	335,580	229,272	202,181	204,803
Miscellaneous	1,712,431	1,737,769	2,904,375	887,525	1,835,190	1,338,921	1,653,758	1,861,931	1,499,965	1,016,705
Transfers	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(203,894)	(250,305)	(150,000)
<b>Total Government Activities</b>	<b>30,026,934</b>	<b>32,520,310</b>	<b>36,684,707</b>	<b>37,499,601</b>	<b>41,454,595</b>	<b>36,979,252</b>	<b>35,614,565</b>	<b>35,396,893</b>	<b>37,837,099</b>	<b>39,251,686</b>

*Business-Type Activities:*

Taxes										
Property Taxes	292,996	290,752	291,608	354,469	362,227	358,714	358,777	366,822	366,775	368,088
Motor Vehicle Tax	41,551	37,835	38,424	50,017	40,583	42,234	38,925	33,002	34,271	33,212
Investment Earnings	159,507	327,089	665,480	943,093	858,769	450,997	81,708	105,647	95,684	81,504
Transfers	150,000	150,000	150,000	150,000	150,000	150,000	150,000	203,894	250,305	150,000
<b>Total Business-Type Activities</b>	<b>644,054</b>	<b>805,676</b>	<b>1,145,512</b>	<b>1,497,579</b>	<b>1,411,579</b>	<b>1,001,945</b>	<b>629,410</b>	<b>709,365</b>	<b>747,035</b>	<b>632,804</b>
<b>Total Primary Government</b>	<b>\$ 30,670,988</b>	<b>\$ 33,325,986</b>	<b>\$ 37,830,219</b>	<b>\$ 38,997,180</b>	<b>\$ 42,866,174</b>	<b>\$ 37,981,197</b>	<b>\$ 36,243,975</b>	<b>\$ 36,106,258</b>	<b>\$ 38,584,134</b>	<b>\$ 39,884,490</b>

**Changes in Net Position**

Governmental Activities	6,059,927	8,725,327	14,820,144	15,919,173	4,004,923	(965,183)	3,542,431	6,391,828	7,000,412	6,493,929
Business-Type Activities	7,520,906	2,721,274	4,404,918	4,990,586	6,010,290	16,369,726	3,373,991	2,692,988	4,889,744	3,110,821
<b>Total Primary Government</b>	<b>\$ 13,580,833</b>	<b>\$ 11,446,601</b>	<b>\$ 19,225,062</b>	<b>\$ 20,909,759</b>	<b>\$ 10,015,213</b>	<b>\$ 15,404,543</b>	<b>\$ 6,916,422</b>	<b>\$ 9,084,816</b>	<b>\$ 11,890,156</b>	<b>\$ 9,604,750</b>

<sup>1</sup>Prior years are restated due to prior period adjustments. See Note 23 on page 81 in the basic financial statements.

**Sandy City**  
**Net Position by Component**  
**Last Ten Fiscal Years Ended June 30**  
(Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 322,769,699	\$ 326,487,853	\$ 337,682,449	\$ 352,748,948	\$ 352,072,052	\$ 352,803,926	\$ 360,090,012	\$ 373,212,418	\$ 381,451,684	\$ 393,223,376
Restricted	9,357,059	5,914,418	5,646,513	5,585,051	9,887,074	9,195,548	6,081,370	5,761,990	4,674,504	5,029,530
Unrestricted	24,411,254	32,863,752	36,829,686	37,743,821	38,123,617	37,118,086	36,528,917	30,080,769	29,919,000	24,286,211
Total Governmental Activities Net Position	<u>\$ 356,538,012</u>	<u>\$ 365,266,023</u>	<u>\$ 380,158,648</u>	<u>\$ 396,077,820</u>	<u>\$ 400,082,743</u>	<u>\$ 399,117,560</u>	<u>\$ 402,700,299</u>	<u>\$ 409,055,177</u>	<u>\$ 416,045,188</u>	<u>\$ 422,539,117</u>
<b>Business Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 48,891,585	\$ 49,315,238	\$ 36,734,060	\$ 68,892,235	\$ 72,410,556	\$ 98,077,342	\$ 101,588,420	\$ 102,573,375	\$ 105,637,905	\$ 108,832,306
Restricted	223,136	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unrestricted	34,014,166	36,532,239	53,445,854	26,278,266	28,770,235	19,473,175	19,295,779	21,040,762	22,876,376	22,792,796
Total Business-Type Activities Net Position	<u>\$ 83,128,887</u>	<u>\$ 85,847,477</u>	<u>\$ 90,179,914</u>	<u>\$ 95,170,501</u>	<u>\$ 101,180,791</u>	<u>\$ 117,550,517</u>	<u>\$ 120,884,199</u>	<u>\$ 123,614,137</u>	<u>\$ 128,514,281</u>	<u>\$ 131,625,102</u>
<b>Primary government</b>										
Invested in Capital Assets, Net of Related Debt	\$ 371,661,284	\$ 375,803,091	\$ 374,416,509	\$ 421,641,183	\$ 424,482,608	\$ 450,881,268	\$ 461,678,432	\$ 475,785,793	\$ 487,089,589	\$ 502,055,682
Restricted	9,580,195	5,914,418	5,646,513	5,585,051	9,887,074	9,195,548	6,081,370	5,761,990	4,674,504	5,029,530
Unrestricted - As Restated <sup>1</sup>	58,425,420	69,395,991	90,275,540	64,022,087	66,893,852	56,591,261	55,824,696	51,121,531	52,795,376	47,079,007
Total Primary Government Net Position	<u>\$ 439,666,899</u>	<u>\$ 451,113,500</u>	<u>\$ 470,338,562</u>	<u>\$ 491,248,321</u>	<u>\$ 501,263,534</u>	<u>\$ 516,668,077</u>	<u>\$ 523,584,498</u>	<u>\$ 532,669,314</u>	<u>\$ 544,559,469</u>	<u>\$ 554,164,219</u>

<sup>1</sup>Unrestricted net position has been restated retroactive due to prior period adjustment. See note 23 on page 81 in the basic financial statements.

## Sandy City

### Government Activities Tax Revenues by Source

Last Ten Fiscal Years Ended June 30

(Accrual Basis of Accounting)

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Transient Room Tax</b>	<b>Total</b>
2004	\$ 7,323,101	\$ 15,161,445	\$ 4,688,366	\$ 881,376	\$ -0-	\$ 28,054,288
2005	7,262,922	15,857,517	6,284,131	818,905	-0-	30,223,475
2006	7,350,178	17,681,709	6,600,373	825,617	-0-	32,457,877
2007	7,455,228	19,286,918	7,091,234	824,486	-0-	34,657,866
2008	7,538,275	19,746,002	7,145,328	757,242	2,710,280	37,897,127
2009	7,600,153	17,109,760	7,382,659	740,318	2,007,787	34,840,677
2010	7,690,136	16,064,881	7,422,695	694,237	1,903,278	33,775,227
2011	7,667,234	15,703,214	7,530,832	599,710	2,008,594	33,509,584
2012	7,824,467	16,949,514	8,768,487	629,069	2,213,721	36,385,258
2013	7,821,494	18,292,178	9,162,809	614,094	2,289,603	38,180,178

Source: Sandy City Finance Department

**Sandy City**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years Ended June 30**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Nonspendable	\$ -0-	\$ -0-	\$ -0-	\$ 177,627	\$ 156,328	\$ 2,450	\$ 29,943	\$ 39,936	\$ 45,007	\$ 30,730
Unassigned	4,154,891	4,154,891	4,897,087	5,522,615	5,546,417	5,296,574	5,075,335	5,161,276	5,458,879	6,120,410
Total General Fund	<u>\$ 4,154,891</u>	<u>\$ 4,154,891</u>	<u>\$ 4,897,087</u>	<u>\$ 5,700,242</u>	<u>\$ 5,702,745</u>	<u>\$ 5,299,024</u>	<u>\$ 5,105,278</u>	<u>\$ 5,201,212</u>	<u>\$ 5,503,886</u>	<u>\$ 6,151,140</u>
<b>All Other Governmental Funds</b>										
Restricted for:										
Debt Service	\$ 3,010,830	\$ 1,420,600	\$ 1,420,600	\$ 979,700	\$ 1,779,700	\$ 2,643,536	\$ 1,936,036	\$ 1,936,036	\$ 1,936,036	\$ 1,663,836
Capital Projects - As Restated <sup>1</sup>	4,832,959	3,255,808	3,482,679	3,839,632	7,517,204	6,178,901	3,124,553	2,640,917	1,738,368	2,437,791
Roads	1,263,270	977,010	474,255	309,917	146,835	73,625	615,838	766,022	565,247	897,173
Special Revenues	7,913,421	11,698,810	10,932,860	9,296,182	9,879,327	9,973,264	10,589,159	6,265,341	3,822,571	3,199,415
Committed:										
Debt Service	1,192,493	1,414,559	1,510,146	2,228,398	530,801	545,030	693,169	519,807	229,184	129,870
Capital Projects	6,904,519	9,952,490	12,876,762	13,143,871	15,264,035	14,158,370	13,346,424	10,767,802	12,919,215	9,275,403
Unassigned:										
Special Revenues	-0-	-0-	-0-	-0-	-0-	-0-	-0-	(416,034)	-0-	(2,010,634)
Total All Other Governmental Funds	<u>\$ 25,117,492</u>	<u>\$ 28,719,277</u>	<u>\$ 30,697,302</u>	<u>\$ 29,797,700</u>	<u>\$ 35,117,902</u>	<u>\$ 33,572,726</u>	<u>\$ 30,305,179</u>	<u>\$ 22,479,891</u>	<u>\$ 21,210,621</u>	<u>\$ 15,592,854</u>
<b>Total Governmental Funds</b>	<u>\$ 29,272,383</u>	<u>\$ 32,874,168</u>	<u>\$ 35,594,389</u>	<u>\$ 35,497,942</u>	<u>\$ 40,820,647</u>	<u>\$ 38,871,750</u>	<u>\$ 35,410,457</u>	<u>\$ 27,681,103</u>	<u>\$ 26,714,507</u>	<u>\$ 21,743,994</u>

<sup>1</sup>Restricted fund balance in capital projects has been rested retroactive due to prior period adjustment. See note 23 on page 82 in the basic financial statements.

# Sandy City

## Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Taxes	\$ 31,626,757	\$ 34,324,191	\$ 36,872,673	\$ 39,267,772	\$ 42,551,319	\$ 39,864,133	\$ 39,139,927	\$ 39,189,991	\$ 42,560,468	\$ 43,891,777
Special Assessments	994,215	988,511	904,929	345,358	351,841	352,505	324,601	262,565	64,623	11,160
Innkeeper Fees	178,730	194,291	231,569	268,062	309,467	309,967	332,317	351,766	377,981	407,498
Licenses and Permits	1,740,360	2,011,739	2,571,942	2,748,928	2,692,112	2,211,421	1,640,829	2,028,642	1,880,210	2,301,985
Inter-Governmental Revenue	4,449,925	3,974,374	5,202,115	5,342,008	8,337,754	9,189,553	8,531,708	5,885,430	4,422,748	5,062,141
Charges for Services	5,325,609	5,896,478	5,645,237	5,975,983	6,121,947	7,118,055	7,012,119	7,183,546	7,721,583	8,183,955
Administrative Charges	1,151,671	1,344,587	1,520,720	1,705,077	1,774,104	1,931,193	2,067,801	2,196,409	2,484,486	2,644,630
Fines and Forfeitures	2,661,801	2,587,126	2,615,913	3,070,564	2,939,116	2,938,223	2,712,266	2,516,732	2,454,693	2,134,521
Cell Tower Leases	138,426	153,555	160,432	123,977	171,149	170,459	169,523	1,243,522	741,599	565,257
Fees from Developers	223,197	611,407	2,069,176	1,398,039	1,256,316	982,877	358,813	703,758	438,556	621,873
Interest Income	410,214	709,067	1,472,455	2,104,221	1,872,279	949,655	335,580	200,376	202,178	204,804
Miscellaneous Revenues	720,761	1,555,347	2,132,228	809,866	1,500,977	567,331	1,110,224	716,359	1,146,062	512,432
Total Revenues	49,621,666	54,350,673	61,399,389	63,159,855	69,878,381	66,585,372	63,735,708	62,479,096	64,495,187	66,542,033
<b>Expenditures</b>										
General Government	7,271,840	7,616,861	8,019,303	8,280,534	9,131,780	8,782,313	8,720,439	8,490,429	8,848,409	9,253,317
Police and Animal Control	11,033,512	11,623,762	12,109,074	12,306,945	13,068,604	13,338,570	13,374,749	13,481,942	13,420,801	13,835,093
Fire	6,497,598	6,418,692	6,734,250	6,889,773	8,062,254	8,139,433	7,653,908	7,585,812	7,547,800	7,973,421
Public Works	4,990,014	4,773,677	5,111,617	5,311,469	7,705,849	5,630,273	5,631,198	5,746,856	5,238,516	5,703,935
Parks, Landscapes, and Cemetery	2,661,076	2,693,818	2,899,421	3,311,466	3,605,854	3,900,809	3,613,491	3,726,334	3,820,186	3,998,606
Community Development	2,029,435	2,037,419	2,293,498	2,400,364	2,538,091	2,496,381	2,517,420	2,397,468	2,306,037	2,340,948
Economic Development	1,033,553	1,342,373	2,505,894	1,775,785	16,682,595	901,072	931,740	1,380,628	1,439,031	1,361,373
Recreation and Cultural Events	1,329,247	1,483,375	1,514,284	1,936,972	2,205,304	2,202,290	2,243,145	2,189,093	2,211,851	2,236,288
Electric Utility	591,767	568,783	627,597	643,278	667,100	1,044,563	722,293	715,113	956,878	957,466
Storm Water Utility	1,096,292	1,201,137	1,097,871	1,284,352	1,667,288	1,630,536	1,384,627	1,387,313	1,609,119	1,679,945
Capital Outlays	8,207,410	3,926,828	8,166,646	13,094,816	35,162,622	24,100,489	19,707,318	14,159,196	9,298,662	15,035,131
Debt Service										
Principal	2,853,000	5,000,000	5,428,253	3,931,253	5,161,760	4,006,000	4,770,000	4,978,000	4,887,000	4,746,000
Interest	2,578,065	2,234,858	2,120,693	1,909,478	2,383,327	3,553,225	3,795,121	3,759,876	3,521,965	3,247,730
Other Charges	139,136	1,372,135	76,540	15,988	625,567	237,701	577,064	23,491	495,192	599,977
Total Expenditures	52,311,945	52,293,718	58,704,941	63,092,473	108,667,995	79,963,655	75,642,513	70,021,551	65,601,447	72,969,230
Excess of Revenues Over (Under) Expenditures	(2,690,279)	2,056,955	2,694,448	67,382	(38,789,614)	(13,378,283)	(11,906,805)	(7,542,455)	(1,106,260)	(6,427,197)
<b>Other Financing Sources (Uses)</b>										
Issuance of Debt	7,287,091	16,520,000	3,650,000	-0-	41,360,000	11,040,000	11,386,242	-0-	3,920,000	6,780,000
Redemption of Refunded Bonds	(5,525,000)	(3,930,000)	(3,670,000)	(3,251,000)	-0-	-0-	(4,180,000)	-0-	(3,930,000)	(6,340,000)
Bond Premium	-0-	857,599	90,798	-0-	282,793	-0-	357,751	-0-	441,094	1,209
Fees from Developers	210,003	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Income	1,304	-0-	-0-	-0-	-0-	7,120	-0-	-0-	-0-	-0-
Sale of Capital Assets	2,649	12,231	104,975	2,967,323	1,865,544	281,145	221,360	-0-	51,840	1,165,475
Transfers In	8,466,823	10,295,916	12,085,439	13,521,390	14,829,125	12,125,475	11,642,322	13,550,080	12,865,848	13,031,846
Transfers Out	(8,616,823)	(10,445,916)	(12,235,439)	(13,571,390)	(14,829,125)	(12,024,353)	(10,982,163)	(13,733,973)	(13,136,853)	(13,181,846)
Total Other Financing Sources (Uses)	1,826,047	13,309,830	25,773	(333,677)	43,508,337	11,429,387	8,445,512	(183,893)	211,929	1,456,684
Net Changes in Fund Balances	\$ (864,232)	\$ 15,366,785	\$ 2,720,221	\$ (266,295)	\$ 4,718,723	\$ (1,948,896)	\$ (3,461,293)	\$ (7,726,348)	\$ (894,331)	\$ (4,970,513)
Debt Service as a Percentage of Noncapital Expenditures	13.1%	15.0%	15.4%	11.9%	10.9%	10.9%	13.2%	14.8%	15.4%	12.9%

## Sandy City

### General Government Tax Revenues by Source

Last Ten Fiscal Years Ended June 30

(Modified Accrual Basis of Accounting)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Motor Fuel Tax</b>	<b>Total</b>
2004	\$ 7,103,637	\$ 15,161,445	\$ 4,688,366	\$ 881,376	\$ 27,834,824
2005	7,082,393	15,857,517	6,284,131	818,905	30,042,946
2006	7,075,103	17,681,709	6,600,373	825,617	32,182,802
2007	7,185,286	19,286,918	7,091,234	824,486	34,387,924
2008	7,233,667	19,746,002	7,145,328	757,242	34,882,239
2009	7,184,088	17,109,760	7,382,659	740,318	32,416,825
2010	7,369,288	16,064,881	7,422,695	694,237	31,551,101
2011	7,345,042	15,703,214	7,530,832	599,710	31,178,798
2012	7,549,227	16,949,514	8,768,487	629,069	33,896,297
2013	7,917,405	18,292,178	9,162,809	614,094	35,986,486

Source: Sandy City Finance Department

## Sandy City

### Water Fund Billed Sales and Monthly Rates

Last Ten Fiscal Years Ended June 30

Fiscal Year	Total Billed Sales	Sandy Rates		
		Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>
2004	\$ 14,306,571	\$ 15.33	1.68/0.93	\$ -0-
2005	14,178,536	16.33	1.79/0.99	1.35
2006	17,208,159	17.39	1.91/1.05	1.35
2007	18,647,355	18.52	2.03/1.12	1.35
2008	20,528,524	19.72	2.16/1.20	0.80
2009	19,691,999	21.00	2.30/1.27	0.80
2010	17,615,641	22.37	2.45/1.36	0.80
2011	18,352,811	22.37	2.45/1.36	0.80
2012	20,344,332	20.40	2.42/1.43	N/A
2013	20,562,217	20.40	2.42/1.43	N/A

Fiscal Year	Union Jordan Rates <sup>4</sup>			Salt Lake County Rates <sup>5</sup>		
	Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>	Water Base <sup>1</sup>	Water Overage <sup>2</sup>	Fluoride <sup>3</sup>
2004	\$ 20.66	1.68/0.93	\$ -0-	\$ 21.27	1.85/1.01	\$ -0-
2005	22.00	1.79/0.99	1.35	22.65	1.97/1.08	1.35
2006	23.43	1.91/1.05	1.35	24.12	2.10/1.15	1.35
2007	24.96	2.03/1.12	1.35	25.69	2.23/1.22	1.35
2008	26.58	2.16/1.20	0.80	27.36	2.38/1.30	0.80
2009	28.31	2.30/1.27	0.80	29.14	2.53/1.38	0.80
2010	N/A	N/A	N/A	31.04	2.70/1.47	0.80
2011	N/A	N/A	N/A	31.04	2.70/1.47	0.80
2012	N/A	N/A	N/A	29.54	2.63/1.57	N/A
2013	N/A	N/A	N/A	29.54	2.63/1.57	N/A

<sup>1</sup>Water base rates are based on a 3/4" meter, which is the standard size meter for most residences in Sandy. In fiscal year 2012, the base rate decreased due to a billing structure change. See note 2 below.

<sup>2</sup>Prior to fiscal year 2012, the first amount is the overage rate per 1,000 gallons (usage above 8,000 gallons) during peak season (May-September), and the second amount is the overage rate during the non-peak season (October - April). On July 1, 2011, the City's billing structure changed. Overage is now charged after usage of 6,000 gallons. The peak season changed to June through October, and the non-peak season changed to November through May.

<sup>3</sup>The City began charging fluoride during fiscal year 2005. In fiscal year 2012, fluoride was included in the water base rate due to a billing structure change. See note 2 above.

<sup>4</sup>The City provided water service to the Union Jordan (Midvale) area until it was exchanged to Midvale City on June 1, 2009.

<sup>5</sup>The City provides water services for some unincorporated Salt Lake County areas within the City.

**Sandy City**  
**Principal Water Users**  
**For the Years Ended June 30, 2013 and 2005**

Taxpayer	2013			2005		
	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue
Canyons School District	\$ 901,297	1	4.383%			
Sandy City	834,410	2	4.058%	\$ 352,382	2	2.549%
LDS Church Welfare Square	471,806	3	2.295%	167,917	3	1.215%
IHC Health Services	102,699	4	0.499%	37,708	8	0.273%
The Quarry Bend HOA	94,090	5	0.458%			
SSR Western Multi-family LLC	92,037	6	0.448%			
The Villas at Hidden Creek	86,606	7	0.421%			
Waterford School	78,772	8	0.383%	41,248	6	0.298%
Jordan Commons	73,160	9	0.356%	39,553	7	0.286%
Crescentwood Village HOA Bypass	71,016	10	0.345%			
Salt Lake County				70,723	4	0.512%
Jordan School District				394,800	1	2.856%
Promontory Point Apartments				42,947	5	0.311%
Archstone Communities				37,201	9	0.269%
Fair Meadows Apartments				36,085	10	0.261%
Totals	<u>\$ 2,805,893</u>		<u>13.646%</u>	<u>\$ 1,220,564</u>		<u>8.830%</u>

Note: The City did not gather this information prior to 2005. As such a ten year history is not available.

Source: Sandy City Finance Department



## Sandy City

### Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years Ended June 30

Fiscal Year	Real Property		Personal Property		Mines and Utilities	Total Taxable Assessed Value	Total Direct Tax Rate <sup>1</sup>	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Primary Residential	Other Property	Non Residential	Other Property					
2004	\$ 2,807,271,158	\$ 1,148,112,976	\$ 239,719,487	\$ 8,944,097	\$ 110,293,552	\$ 4,314,341,270	0.001890	\$ 6,635,180,654	65.02%
2005	2,944,551,884	1,200,902,970	230,145,834	7,376,833	99,646,666	4,482,624,187	0.001844	6,919,830,111	64.78%
2006	3,131,181,804	1,307,015,205	226,720,848	6,663,727	94,897,357	4,766,478,941	0.001757	7,349,103,358	64.86%
2007	3,596,375,124	1,621,628,690	246,526,132	6,165,738	97,311,677	5,568,007,361	0.001514	8,490,652,494	65.58%
2008	4,465,548,427	1,970,975,573	267,909,994	7,253,552	122,998,276	6,834,685,822	0.001252	10,433,398,227	65.51%
2009	4,728,106,187	2,228,315,771	290,039,374	7,097,872	101,356,149	7,354,915,353	0.001175	11,198,995,056	65.67%
2010	4,037,437,777	1,978,290,710	392,782,299	6,899,709	100,422,840	6,515,833,335	0.001356	10,029,836,144	64.96%
2011	3,999,225,823	1,944,429,862	397,400,579	6,466,814	102,078,080	6,449,601,158	0.001402	9,726,411,441	66.31%
2012	3,828,609,281	1,954,392,770	289,012,146	6,267,539	95,675,049	6,173,956,785	0.001481	9,324,333,147	64.51%
2013	3,714,548,285	1,937,371,614	313,193,136	6,027,303	91,029,400	6,062,169,738	0.001520	9,121,187,624	66.46%

Source: Salt Lake County Auditor and Salt Lake County Treasurer

<sup>1</sup>Property in the county is reassessed annually. Tax rates are per \$1 of assessed value.

**Sandy City**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years Ended June 30**

Fiscal Year	Sandy City				Overlapping <sup>1</sup> Rates					Total Direct and Overlapping Rates
	General Fund	Debt Service	Risk Management	Total City Millage	Salt Lake County	Canyons School District <sup>3</sup>	Jordan School District	Salt Lake County Library	Special Districts <sup>2</sup>	
2004	0.001725	0.000071	0.000094	0.001890	0.002868	0.000000	0.008366	0.000747	0.001728	0.015599
2005	0.001683	0.000069	0.000092	0.001844	0.002816	0.000000	0.008856	0.000733	0.001686	0.015935
2006	0.001603	0.000066	0.000088	0.001757	0.002682	0.000000	0.008655	0.000696	0.001751	0.015541
2007	0.001381	0.000057	0.000076	0.001514	0.002371	0.000000	0.007347	0.000617	0.001797	0.013646
2008	0.001142	0.000047	0.000063	0.001252	0.001994	0.000000	0.006617	0.000517	0.001551	0.011931
2009	0.001072	0.000044	0.000059	0.001175	0.001934	0.000000	0.006150	0.000492	0.001445	0.011196
2010	0.001237	0.000051	0.000068	0.001356	0.003466	0.005780	0.001400	0.000564	0.001730	0.014296
2011	0.001332	0.000000	0.000070	0.001402	0.002593	0.006540	0.001520	0.000583	0.001826	0.014464
2012	0.001407	0.000000	0.000074	0.001481	0.000604	0.004955	0.001619	0.000604	0.001897	0.011160
2013	0.001444	0.000000	0.000076	0.001520	0.000627	0.005460	0.001307	0.000627	0.003864	0.013405

Source: Salt Lake County Recorder's Office

<sup>1</sup>Overlapping rates are those of local and county governments that apply to property owners within Sandy City. Not all overlapping rates apply to all Sandy City property owners. The rates for special districts apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the special district.

<sup>2</sup>Includes South Salt Lake County Mosquito District, Salt Lake County Water District, Sandy Suburban Improvement District, and Central Utah Water District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.

<sup>3</sup>Canyons School District was created on July 1, 2009. Previously it was a part of Jordan School District.

**Sandy City**  
**Principal Property Taxpayers**  
**For the Years Ended June 30, 2013 AND 2004**

Taxpayer	2013			2004		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Macerich Co.	\$ 143,456,800	1	2.37%	\$ 95,871,800	2	2.14%
Lawrence and Karen Miller	118,330,585	2	1.95%	100,689,560	1	2.25%
Woodbury Corp.	66,463,100	3	1.10%			
Redevelopment Agency of Sandy	62,293,600	4	1.03%			
Ronald Raddon	62,131,562	5	1.02%			
The Boyer Company	52,180,600	6	0.86%	27,196,300	5	0.61%
Wal-Mart Real Estate Business	46,293,400	7	0.76%			
South Towne Corporate Center	39,385,500	8	0.65%			
Pacificorp	38,904,347	9	0.64%	34,353,110	3	0.77%
Workers Compensation Fund	34,296,400	10	0.57%	24,437,200	7	0.55%
SSR Western Multifamily LLC				28,012,930	4	0.62%
Magna Investment				19,025,500	8	0.42%
Qwest Communications				24,863,740	6	0.55%
Mariemont Corp.				18,750,200	9	0.42%
Becton Dickinson & Company				18,189,300	10	0.41%
Totals	<u>\$ 663,735,894</u>		<u>10.95%</u>	<u>\$ 391,389,640</u>		<u>8.74%</u>

Note: Annual amounts are shown only for the top ten ranked taxpayers. Including the other amounts would skew the overall total and percentage for the top ten taxpayers.

Source: Utah State Tax Commission and Salt Lake County assessment records

**Sandy City**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years Ended June 30**

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<b>Fiscal Year</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2004	\$ 7,629,366	\$ 7,372,650	96.6%	\$ 228,767	\$ 7,601,417	99.6%
2005	7,703,715	7,474,696	97.0%	184,512	7,659,208	99.4%
2006	7,771,552	7,543,432	97.1%	160,338	7,703,770	99.1%
2007	7,812,874	7,597,445	97.2%	156,485	7,753,930	99.2%
2008	8,556,640	8,279,797	96.8%	141,627	8,421,424	98.4%
2009	8,642,026	8,274,611	95.7%	193,788	8,468,399	98.0%
2010	8,835,470	8,493,541	96.1%	160,331	8,653,872	97.9%
2011	8,919,879	8,615,314	96.6%	141,131	8,756,445	98.2%
2012	9,143,630	8,851,105	96.8%	153,061	9,004,166	98.5%
2013	9,214,498	8,956,767	97.2%	-0-	8,956,767	97.2%

Source: Sandy City Finance Department

# Sandy City

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years Ended June 30

Fiscal Year	Governmental Activities						
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Tax Increment Bonds	Capital Leases	Contract Payable	Notes Payable
2004	\$ 4,750,000	\$ 37,245,000	\$ 6,653,000	\$ -0-	\$ 262,413	\$ -0-	\$ 1,945,000
2005	4,225,000	34,340,000	6,018,000	-0-	177,262	2,516,267	1,835,000
2006	3,650,000	30,740,000	5,363,000	-0-	89,812	2,013,014	1,720,000
2007	3,050,000	28,305,000	1,844,000	-0-	-0-	1,509,760	1,595,000
2008	2,425,000	67,185,000	1,567,000	-0-	-0-	-0-	1,325,000
2009	1,770,000	64,120,000	1,281,000	11,040,000	-0-	-0-	1,325,000
2010	1,090,000	67,686,242	981,000	11,040,000	-0-	-0-	1,175,000
2011	380,000	64,231,242	668,000	10,705,000	-0-	-0-	1,010,000
2012	-0-	60,566,243	341,000	10,355,000	-0-	-0-	835,000
2013	-0-	57,161,243	-0-	9,985,000	-0-	-0-	645,000

Fiscal Year	Business Activities		Total Primary Government	Percentage of Adjusted Gross Income <sup>1</sup>	Per Capita <sup>1</sup>
	Revenue Bonds	Contract Payable			
2004	\$ 14,365,000	\$ -0-	\$ 65,220,413	2.8%	\$ 704
2005	14,210,000	13,832,100	77,153,629	3.1%	834
2006	13,315,000	13,722,120	70,612,946	2.5%	751
2007	12,395,000	13,667,130	62,365,890	2.1%	653
2008	11,450,000	13,607,910	97,559,910	3.4%	1,015
2009	10,470,000	13,506,390	103,512,390	4.0%	1,071
2010	9,503,758	13,303,350	104,779,350	3.8%	1,078
2011	9,013,758	13,091,850	99,099,850	3.6%	1,133
2012	8,728,758	12,749,220	93,575,221	N/A	1,061
2013	8,183,758	12,368,520	88,343,521	N/A	998

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics on page 144 for income and population data.

**Sandy City**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years Ended June 30**

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
2004	\$ 4,750,000	0.07%	\$ 51
2005	4,225,000	0.06%	46
2006	3,650,000	0.05%	39
2007	3,050,000	0.04%	32
2008	2,425,000	0.02%	25
2009	1,770,000	0.02%	18
2010	1,090,000	0.01%	11
2011	380,000	0.00%	4
2012	-0-	0.00%	-0-
2013	-0-	0.00%	-0-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 135 for property value data.

<sup>2</sup>Population data can be found in the schedule of Demographic and Economic Statistics on page 144.

**Sandy City**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2013**

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>3</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt			
State of Utah	\$ 3,660,089,000	3.13%	\$ 114,560,786
CUWCD <sup>1</sup>	259,970,000	5.93%	15,416,221
Salt Lake County	224,720,000	8.59%	19,303,448
Jordan/Canyon School District Debt Service Area <sup>4</sup>	102,967,400	40.47%	41,670,907
Canyons School District	142,920,000	39.49%	56,439,108
Sandy Suburban Improvement District	10,220,000	40.00%	4,088,000
Total Overlapping Debt	<u>\$ 4,400,886,400</u>		<u>\$ 251,478,470</u>
Total Overlapping Debt Less the State <sup>2</sup>			<u>136,917,685</u>
Sandy City Total Direct Debt			<u>67,791,243</u>
Total Direct and Overlapping Debt			<u><u>\$ 204,708,928</u></u>

Source: Lewis Young Robertson and Burningham, Inc

<sup>1</sup>Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the state issued under the Water Conservancy Act. By law CUWCD may levy a tax rate of up to .04 percent to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

<sup>2</sup>The state's general obligation debt is not included in overlapping debt because the state levies no property tax for the payment of general obligation bonds.

<sup>3</sup>Estimated percentage applicable is rounded to the nearest 100th percent.

<sup>4</sup>Represents 58% of the bonds issued by Jordan School District prior to the District split. These bonds thus spread over Canyons taxable value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**Sandy City**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years Ended June 30**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Debt Limit</b>										
General (4% Fair Cash Value) <sup>1</sup>	\$ 265,407,226	\$ 276,793,204	\$ 293,964,135	\$ 339,626,100	\$ 417,335,929	\$ 447,959,802	\$ 401,193,446	\$ 389,056,458	\$ 372,973,326	\$ 364,847,505
Water and Sewer (4% Fair Cash Value) <sup>1</sup>	265,407,226	276,793,204	293,964,134	339,626,100	417,335,929	447,959,802	401,193,446	389,056,458	372,973,326	364,847,505
Total 8% Debt Limit	530,814,452	553,586,408	587,928,269	679,252,200	834,671,858	895,919,604	802,386,892	778,112,916	745,946,652	729,695,010
Total Net Debt Applicable to Limit	4,750,000	4,225,000	3,650,000	3,050,000	2,425,000	1,770,000	1,090,000	380,000	-0-	-0-
Legal Debt Margin	<u>\$ 526,064,452</u>	<u>\$ 549,361,408</u>	<u>\$ 584,278,269</u>	<u>\$ 676,202,200</u>	<u>\$ 832,246,858</u>	<u>\$ 894,149,604</u>	<u>\$ 801,296,892</u>	<u>\$ 777,732,916</u>	<u>\$ 745,946,652</u>	<u>\$ 729,695,010</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.895%	0.763%	0.621%	0.449%	0.291%	0.198%	0.136%	0.049%	0.000%	0.000%

Assessed Valuation:

Primary Residential	\$ 3,720,630,474
All Other	2,341,539,264
Total Assessed Value	<u>6,062,169,738</u>

Reasonable Fair Cash Value 9,121,187,624

Debt Limit (8% of Reasonable Fair Cash Value)<sup>1</sup> 729,695,010

Debt Applicable to Limit:

General Obligation Bonds -0-

Less: Amount Set Aside for Repayment of

General Obligation Debt -0-

Total Net Debt Applicable to Limit -0-

Legal Debt Margin \$ 729,695,010

Source: Salt Lake County Auditor's Office

<sup>1</sup>The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.



**Sandy City**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years Ended June 30**

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds				
	Gross Operating Revenue	Less: Direct Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue Collections	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2004	\$ 12,891,433	\$ 7,799,343	\$ 5,092,090	\$ 825,000	\$ 485,435	3.89	\$ 15,161,445	\$ 700,000	\$ 732,130	10.59	
2005	14,337,428	9,816,244	4,521,184	-0-	405,900	11.14	15,857,517	3,165,000	1,565,293	3.35	
2006	18,405,578	7,692,653	10,712,925	735,000	372,338	9.67	17,681,709	3,010,000	1,398,140	4.01	
2007	19,551,109	8,117,143	11,433,966	755,000	353,713	10.31	19,286,918	1,945,000	1,324,021	5.90	
2008	21,160,060	8,677,850	12,482,210	775,000	334,103	11.25	19,746,002	1,685,000	1,264,928	6.69	
2009	20,209,881	9,824,572	10,385,309	800,000	311,931	9.34	17,109,760	1,770,000	1,204,271	5.75	
2010	18,676,722	7,892,991	10,783,731	825,000	287,041	9.81	16,064,881	1,855,000	1,215,647	5.23	
2011	19,485,952	8,281,865	11,204,087	295,000	268,803	19.87	15,703,214	2,225,000	1,337,150	4.41	
2012	21,504,639	10,583,715	10,920,924	305,000	161,189	23.43	16,949,514	2,315,000	1,216,496	4.80	
2013	21,836,174	10,120,793	11,715,381	335,000	207,820	21.58	18,292,178	2,365,000	775,705	5.82	

Fiscal Year	Special Assessment Bonds				Motor Fuel Excise Tax Revenue Bonds				Transient Tax Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	B and C Road Fund Collections	Debt Service		Coverage	Transient Tax Revenue Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2004	\$ 991,015	\$ 478,000	\$ 287,560	1.29	\$ 3,240,291	\$ 1,600,000	\$ 461,489	1.57	\$ -0-	\$ -0-	\$ -0-	-0-
2005	986,961	635,000	276,603	1.08	2,828,925	595,000	251,564	3.34	-0-	-0-	-0-	-0-
2006	904,549	655,000	256,864	0.99	3,475,548	620,000	221,814	4.13	-0-	-0-	-0-	-0-
2007	344,658	268,000	94,166	0.38	3,183,289	655,000	190,814	3.76	-0-	-0-	-0-	-0-
2008	351,841	277,000	83,678	0.39	3,271,347	965,000	350,995	2.49	2,710,280	-0-	683,200	3.97
2009	352,405	286,000	72,203	0.39	2,837,290	1,015,000	390,344	2.02	2,007,787	460,000	1,696,776	0.93
2010	324,601	300,000	59,825	0.90	2,856,981	1,420,000	338,325	1.62	1,903,278	550,000	1,672,132	0.86
2011	262,565	313,000	103,534	0.63	2,956,603	775,000	268,150	2.83	2,008,594	650,000	1,642,852	0.88
2012	64,623	327,000	31,904	0.18	2,784,824	785,000	237,150	2.72	2,213,721	755,000	1,608,570	0.94
2013	8,870	341,000	16,443	0.02	2,881,091	825,000	205,750	2.80	2,289,603	865,000	1,569,042	0.94

Fiscal Year	Tax Increment Bonds			
	Tax Increment Collections	Debt Service		Coverage
		Principal	Interest	
2004	\$ -0-	\$ -0-	\$ -0-	-0-
2005	-0-	-0-	-0-	-0-
2006	-0-	-0-	-0-	-0-
2007	-0-	-0-	-0-	-0-
2008	-0-	-0-	-0-	-0-
2009	-0-	-0-	238,967	-0-
2010	-0-	-0-	534,336	-0-
2011	147,605	335,000	526,229	0.17
2012	150,089	350,000	509,652	0.17
2013	129,877	370,000	492,228	0.15

**Sandy City**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years Ended June 30**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Adjusted Gross Income<sup>3</sup></b>	<b>Per Capita Adjusted Gross Income<sup>3</sup></b>	<b>Median Age<sup>4</sup></b>	<b>Unemployment Rate<sup>5</sup></b>
2004	92,685	\$ 4,203,938,276	\$ 45,357	\$ 2,303,635,015	\$ 24,854	29.1	3.3%
2005 <sup>7</sup>	92,500	N/A	N/A	2,529,506,622	27,346	29.1	3.2%
2006	94,000	4,144,605,882	44,091.55	2,793,473,152	29,718	29.1	2.8%
2007	95,449	4,554,880,000	47,720.56	3,013,003,979	31,567	29.1	1.7%
2008	96,074	4,378,313,855	45,572.31	2,845,824,902	29,621	29.1	1.9%
2009	96,660	3,967,830,536	41,049.35	2,596,202,273	26,859	29.1	2.8%
2010	97,177	4,812,751,781	49,525.63	2,724,397,305	28,035	29.1	4.5%
2011 <sup>7,9</sup>	87,461	N/A	N/A	2,746,900,072	31,407	33.8	4.9%
2012 <sup>8,11</sup>	88,155	5,068,300,519	57,493	N/A	N/A	33.8	5.7%
2013 <sup>8,12</sup>	88,558	N/A	N/A	N/A	N/A	33.8	4.8%

<b>Fiscal Year</b>	<b>High School or Less<sup>2</sup></b>	<b>Some College/ Tech School<sup>2</sup></b>	<b>Two-Year College Degree<sup>2</sup></b>	<b>Bachelors Degree (4 yrs.)<sup>2</sup></b>	<b>Grad. School/ beyond 4 yr.<sup>2</sup></b>	<b>Refused to Answer<sup>2</sup></b>	<b>School Enrollment<sup>6,10</sup></b>
2004	12%	23%	13%	32%	18%	2%	23,143
2005 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	22,570
2006	14%	20%	12%	31%	20%	3%	22,365
2007	13%	17%	10%	38%	21%	1%	21,634
2008	13%	19%	13%	31%	23%	1%	21,484
2009	14%	25%	12%	28%	21%	0%	20,912
2010	13%	15%	12%	32%	25%	0%	20,618
2011 <sup>7</sup>	N/A	N/A	N/A	N/A	N/A	N/A	20,625
2012 <sup>7</sup>	7	18	11	34	27	0	21,236
2013 <sup>12</sup>	N/A	N/A	N/A	N/A	N/A	N/A	17,789

<sup>1</sup>Source: Sandy City Planning Division

<sup>2</sup>Source: Estimated using information received from the Dan Jones Survey

<sup>3</sup>Source: Utah State Tax Commission (Based on a calendar year)

<sup>4</sup>Source: Census Bureau (Based on 2000 and 2010 census)

<sup>5</sup>Source: The United States Bureau of Labor Statistics

<sup>6</sup>Source: Jordan School District/Canyons School District

<sup>7</sup>No Dan Jones Survey was conducted during fiscal years 2005 and 2011.

<sup>8</sup>Information from the Utah State Tax Commission was unavailable at the time of this report.

<sup>9</sup>2010 Census count was lower than projected.

<sup>10</sup>New middle school and high school in Draper

<sup>11</sup>The United States Bureau of Labor Statistics revised previous year inputs.

<sup>12</sup>Information from the Dan Jones Survey was unavailable at the time of this report.

**Sandy City**  
**Principal Employers**  
**Current Year and Seven Years Ago**

<b>Employer</b>	<b>2013</b>			<b>2006</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Becton Dickinson	1,092	1	2.36%	980	3	1.94%
Sandy City Corporation	516	2	1.11%	517	5	1.02%
E Trade Financial	357	3	0.77%			
Alta View Hospital	332	4	0.72%	332	7	0.66%
Workers Compensation Fund	320	5	0.69%			
Scheels All Sport Inc	300	6	0.65%			
Christensen Wholesale	274	7	0.59%			
Harman Music Group Inc	250	8	0.54%	394	6	0.78%
WalMart	246	9	0.53%			
UCN Inc/INCONTACT	240	10	0.52%			
ACS Business Solutions				3,527	1	6.99%
Macey's Grocery Store				284	9	0.56%
Aetna Behavioral Health				283	10	0.56%
Discover Financial Services				1,441	2	2.86%
Jordan Commons				600	4	1.19%
Meier and Frank #173				307	8	0.61%
<b>Total</b>	<b>3,927</b>		<b>8.47%</b>	<b>8,665</b>		<b>17.17%</b>

Note: Annual amounts are shown only for the top ten principal employers. Including the other amounts would skew the overall total and percentage for the top ten principal employers.

The City did not gather this information prior to 2006. As such a nine year history is not available.

Source: Sandy City Business License Division and The United States Bureau of Labor Statistics

**Sandy City**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years Ended June 30**

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Mayor	3.5	3.5	3.5	3.3	3.8	3.3	3.3	3.3	3.3	4.3
City Administrator	19.8	19.8	20.0	21.0	20.6	22.0	24.0	22.0	21.0	21.0
City Council	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Attorney	8.0	8.6	9.6	10.4	9.6	10.0	10.0	10.0	11.0	10.0
Court Services	10.6	12.6	14.6	15.0	15.6	15.0	18.0	17.0	14.0	15.0
Finance and Information Services	27.4	27.4	28.4	29.6	29.9	30.0	31.0	28.0	28.0	31.0
Economic Development	1.9	2.9	2.9	2.9	2.7	3.8	4.0	2.0	2.0	3.0
Non-Departmental	1.8	1.8	1.8	2.8	2.8	2.5	2.8	3.8	3.8	1.8
Public Safety										
Police	116.1	116.6	140.6	138.0	142.6	144.0	147.0	136.0	144.0	147.0
Fire	76.0	77.0	77.0	75.0	78.0	69.0	75.0	75.0	77.0	79.0
Animal Services	5.0	8.0	8.0	8.0	8.0	7.0	9.0	8.0	8.0	7.0
Public Works	48.3	52.3	52.3	53.3	55.3	50.3	54.3	51.3	49.8	53.8
Parks and Recreation	27.3	28.8	29.3	31.0	31.1	30.0	35.0	32.0	33.0	35.0
Alta Canyon Sports Center	6.0	6.0	7.0	7.0	6.8	7.0	7.0	7.0	7.0	9.0
River Oaks Golf Course	6.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0
Community Events/ Sandy Arts Guild	3.0	3.0	3.0	4.0	5.0	4.0	4.0	4.0	4.0	4.0
Community Development	26.4	27.4	27.4	26.8	27.5	25.7	25.7	24.7	24.2	25.2
Utilities										
Water	37.2	39.2	40.2	39.4	39.2	36.2	39.9	39.9	42.0	42.4
Storm Water	11.2	12.2	13.2	13.4	15.2	14.7	16.2	15.2	17.0	14.7
Electric	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.0	3.0	3.0
<b>Total</b>	<b>441.7</b>	<b>458.3</b>	<b>490.0</b>	<b>493.1</b>	<b>505.9</b>	<b>486.7</b>	<b>518.2</b>	<b>491.2</b>	<b>501.1</b>	<b>516.2</b>

Source: Sandy City Payroll Division

**Sandy City**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years Ended June 30**

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Physical Arrests	4,339	3,980	4,253	4,374	4,700	4,474	4,239	5,136	3,360	3,070
Nonmoving Traffic Citations	1,742	1,928	4,165	4,130	4,469	4,344	4,370	5,545	4,757	4,358
Moving Traffic Citations	19,877	17,387	17,280	20,136	16,286	16,154	16,661	8,727	9,731	12,631
Fire										
Number of fire calls answered	2,063	1,558	1,845	1,661	1,637	1,865	1,670	1,623	1,429	1,568
Number of medical calls answered	3,502	4,075	3,842	3,542	4,502	5,202	5,011	5,095	4,981	5,080
Public Works										
Street resurfacing (miles)										
Overlays	4.65	1.67	2.87	3.52	4.24	2.55	2.99	5.75	1.39	0.69
Slurry	34.87	38.87	40.96	39.50	45.37	31.84	42.52	37.90	49.87	46.00
Potholes repaired	916	357	251	360	863	1,224	498	2,203	605	663
Sanitation										
Number of Garbage Cans per month	30,463	30,509	30,938	31,294	31,500	31,486	31,402	31,640	31,358	31,443
Number of Recycle Cans per month	23,166	23,202	23,413	23,576	23,659	23,716	23,750	23,481	23,841	23,955
Parks, recreation, and cemetery										
Number of program participants	13,650	14,315	15,154	15,281	17,447	18,284	18,323	18,813	18,795	19,419
Cemetery plots sold	26	52	84	62	66	71	43	35	2	4
Alta Canyon										
Members	1,988	1,734	1,045	1,100	1,100	1,386	1,012	949	1,066	1,318
Class participants <sup>2</sup>	99,133	96,236	87,718	92,704	63,975	60,016	32,857	39,907	36,609	35,462
Golf										
Number of 18 hole rounds played	14,324	15,481	14,121	16,564	16,309	16,890	14,583	18,963	22,914	21,003
Number of 9 hole rounds played	24,471	26,335	28,328	30,512	29,276	29,807	23,216	24,211	23,809	23,136
Number of tournaments	21	28	24	50	59	86	51	64	53	56
Sandy Arts Guild <sup>1</sup>										
Number of tickets sold	N/A	29,634	22,500	30,612	32,899	31,670	32,895	27,278	30,690	31,805
Number of shows	10	13	13	15	25	23	40	37	30	32
Water										
New connections	185	220	375	382	332	120	70	90	124	126
Water main breaks	64	57	86	61	63	74	61	67	86	44
Average daily consumption (gallons)	21,493,638	21,688,435	25,607,989	26,170,833	24,805,833	22,984,167	21,774,167	21,917,500	24,579,167	24,800,000

<sup>1</sup>The Sandy Arts Guild, formally Sandy Amphitheater, opened on January 1, 2000. However, ticket sales information was not available prior to 2005.

<sup>2</sup>Prior to fiscal year 2007 program participation included swimming, raquetball, wallyball and tennis programs that are included with daily admission.

Source: Various City Departments

**Sandy City**  
**Capital Assets Statistics by Function**  
**Last Ten Fiscal Years Ended June 30**

Function	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	3	3	4	4	4	4	4	4	4
Vehicles and Motorcycles	N/A	N/A	135	137	144	149	154	148	150	153
<b>Fire</b>										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Transport Fire Engines	4	4	4	7	7	7	7	5	5	5
Ladder Truck 100'	1	1	1	1	1	1	1	1	1	1
Telesquirt 50'	1	1	1	1	1	1	1	1	1	1
Ambulance	2	2	2	2	2	3	4	4	4	4
Training Towers	N/A	N/A	N/A	N/A	N/A	1	1	1	1	1
<b>Public Works</b>										
Streets (road miles)	301	304	305	306	303	303	304	304	305	305
Traffic Signals	29	30	30	34	34	35	36	36	38	42
<b>Streetlights</b>	N/A	N/A	6,740	6,822	7,074	7,130	7,404	7,394	7,603	7,638
<b>Culture and Recreation</b>										
Parks Acreage	220	220	232	251	299	301	310	310	310	310
Parks	30	31	31	23	25	27	29	29	29	29
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	30	30	30	30	30	30	30	30	30	30
18-Hole Golf Course	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Water mains (miles)	477	443	443	447	452	418	419	420	423	423
Fire Hydrants	N/A	N/A	4,426	4,849	4,495	4,218	4,790	4,830	4,873	4,881
Maximum Daily Capacity (millions of gallons per day)	67.886	73.646	73.976	131.376	138.987	151.376	156.376	160.126	160.126	157.875
Storm Water Drains (miles)	N/A	N/A	152	172	179	180	180	182	192	198

Source: Various City Departments